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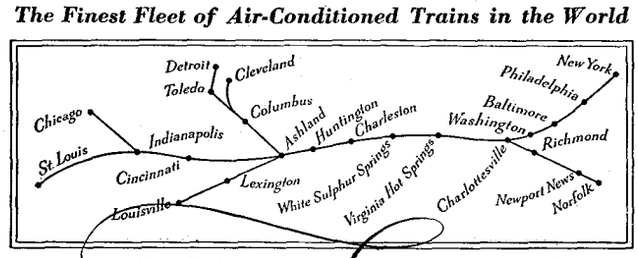

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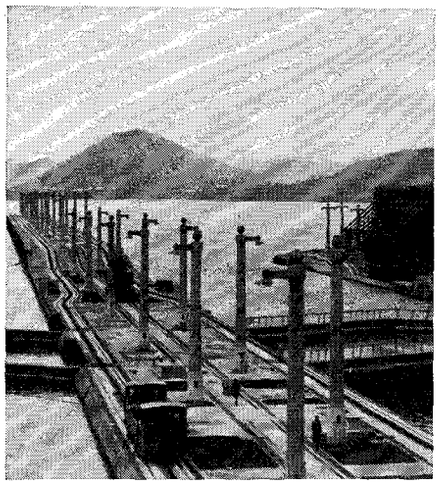

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CORRESPONDENCE

A. Lawrence Lowell

Sir:

Reading with interest in the September issue of the NEW OUTLOOK an article by one Mr. William E. Berchtold, title "Men of College Dollars," I wish to offer the observation that, twice, in his article he has referred to *Abbott Russell Lowell.* Does your contributor mean by any chance our President Emeritus of Harvard, Abbott *Lawrence* Lowell?

Very truly yours,
PAUL J. REDMOND,
Boston, Mass.

He does.—Ed.

—o—

Name of a Certain War

Sir:

May I ask why you use "War Between the States" for the "Civil War"? The first name is the one mothered by the United Daughters of the Confederacy and is the Southern name for the war. It is an awkward name at the best and, in my opinion, and also in the opinion of many others, is not as simple and expressive a name as "Civil War." Surely not even the most rabid Southerner could object to "Civil War."

Very truly yours,
RALPH M. BROWN, Librarian,
Virginia Polytechnic Institute,
Blacksburg, Va.

NEW OUTLOOK'S style book is no stickler on uniformity when it comes to wars (except in the case of the World War which it insists always be called the First World War—just in case) is a hard taskmaster in regard to feelings. Whenever the subject "Civil War" is referred to in connection with Southern thought, Southern wishes, we always, ever so politely, refer to it as "The War Between the States," as was the case p. 55, Oct. '34. We thought everyone in the South really cared. NEW OUTLOOK'S many thanks for the tip.—Ed.

—o—

Bootleg Cattle

Sir:

I have been a reader of your magazine, NEW OUTLOOK, since its inception.

In the September issue, in the editorial "The House That New Deal Built," page 45, second paragraph, fourth line of the second column, the following appears: "A new racket is developed by which Mexican cattle are secretly bootlegged into the expensive and generous government emergency mart." Being a cattleman in Old Mexico and having had this called to my attention by other Mexican cattlemen, I would like to know what you mean by this statement.

Very truly,
F. L. SCHWEINLER,
Pastoria Rancho,
Moctezuma, Sonora, Mexico.

In the early stages of the New Deal effort to combat the hardships of the drought when the American government was purchasing and slaughtering starving American cattle, American racketeers went to Mexico, purchased skinny, broken-down Mexican steers, which, of course, were not intended to be saved by the New Deal's bounty, ran them across the border and sold them to our government. The racket was subsequently stopped. NEW OUTLOOK is not at liberty to reveal its source of information, but the practice was confirmed in a news report to the N. Y. *Herald Tribune,* Aug. 13, '34. —Ed.

—o—

? ? ?

Sir:

Your magazine is doing a great work. Since Alfred E. Smith resigned, it is presenting the views of J. P. Morgan and Herbert Hoover more faithfully. Mr. Morgan won't mind your monthly deficit so long as you succeed in converting Democrats.

Your editor should be more watchful to detect irony and throw it out. That editorial by F. W. on Czechoslovakia was covertly intended to make votes for Upton Sinclair. His climax showed me, after study, that it was an immaterial fact whether the U. S. was behind or ahead of Czechoslovakia in some table of figures. The point was—Americans are not eating!

To quote H. L. Mencken, the humorist, against Sinclair, a political compatriot, was a grievous error. Didn't you see, Mencken said California's taxpayers would LOSE by Sinclair's Epic plan? He knew every school boy would grasp that if Sinclair let the unemployed raise food and make clothing, *taxpayers* would be *saved!*

The worst blunder was to declare that the candidate who made the fewest promises would become the best governor. Sinclair has made promises to nobody. His enemies admit this is his greatest forecast of accomplishment. As for that little slogan "End Poverty," it is but an euphemism. Only economists, engineers, technocrats, students and Father Coughlin try to comprehend that.

Yours truly,
ALFRED F. ISHAM,
Denver, Colo.

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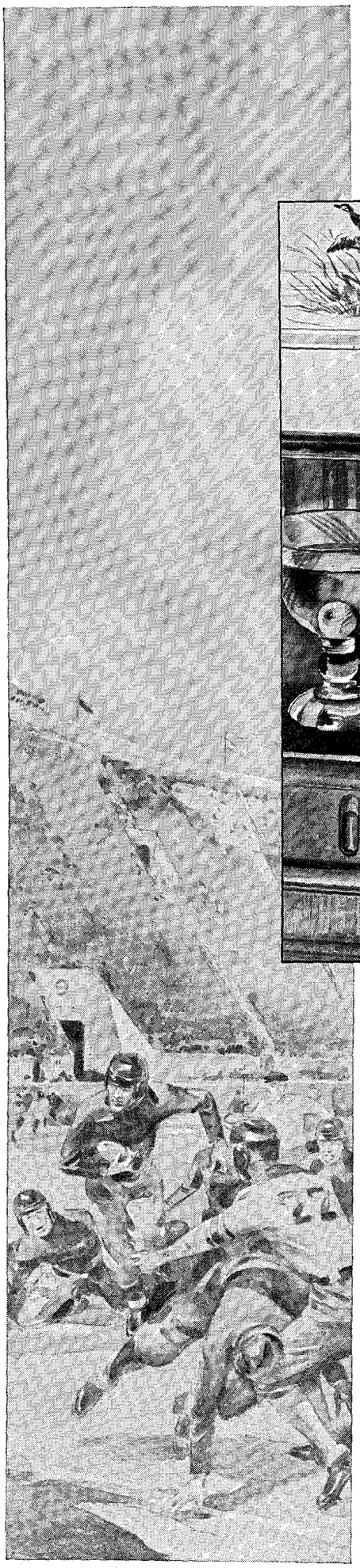
"CANADIAN CLUB"



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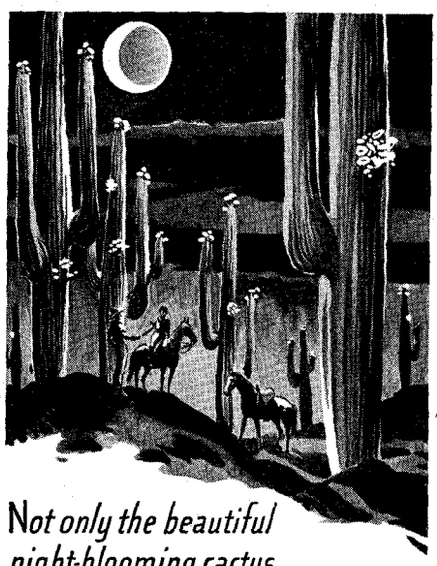

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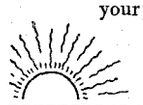

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Request for a Throttled Press

Sir:

Your recent criticism of some of the policies of our national administration impressed me as being partisan and one-sided. Such kind of criticism has no place at this particular time. It is far from being constructive. . . .

Yours truly,
LEWIS HIMMELMANN,
Minneapolis, Minn.

—o—

Sky Roads

Sir:

One of the most interesting and informative pieces which I have had the pleasure of reading in any magazine in a long time is yours entitled, "Trade Routes in the Sky" (NEW OUTLOOK, Oct., '34). It was extremely instructive and I would say *"timely"* except that it illustrated so clearly your unique editorial policy of keeping your readers *ahead* of the news, and in this particular case of disclosing facts which it seems to me will be the basis in a not distant day of an international struggle for control of trade and traffic in the air, a struggle the like of which has not been seen since England established herself as First Power on the high seas. It is encouraging to know that the United States will not be left out of this 20th Century race to be a leading power on the world trade routes in the sky; or perhaps I should say, with fingers crossed, we won't if Mr. Farley doesn't interfere.

A few days after reading this article the news began to catch up with you and I came across a dispatch in the *New York Times* of the safe arrival at a place I never heard of, Anadyr, Siberia, of an American aerial survey party, piloted by that veteran Alaskan pilot, Joe Crosson. The purpose of this particular flight, the *Times'* dispatch went on to say was to survey a route of a proposed Siberian-U. S. air mail line. That certainly shows that someone is up on their toes to see that we don't get left out of the rapidly developing struggle which your article revealed is now already underway.

But this is not what I really wanted to call to your attention. In the article in question your writer refers to England's effort for world airway supremacy as the "All Red Route." If this is right, what is the explanation? It seems to me that name might logically be given to Soviet Russia's effort, which in the field of sky travel is certainly considerable.

ALFRED EDWARD NOLTON,
New York, N. Y.

Correspondent Nolton's confusion over the name for England's far-flung commercial airway system is understandable in this day of extensive Marxist experiments and the universal identification of those efforts by the color and name RED. It was not always so. A century or more ago the slogan was, "Everything red belongs to England." The color was symbolic of England's far-flung possessions. So much so that red came to be established in the international cartographer's code as a color symbol meaning land owned by, ruled over, or governed by the British King. The purpose of the traditionally-minded Imperial Airways directors in calling their world airway system, "The All Red Route" was to indicate that its purpose was to link up all the spots colored red on the official maps of the world.—Ed.

—o—

Santa Claus At the Polls

Sir:

In a recent group discussion with some of my friends the statement was made that NEW OUTLOOK editorially was one of the first publications to make the charge that the liberal spending program of the New Dealers was making it possible for Democratic Chairman Farley, *et al.*, to build a national Tammany, and create a bribed constituency. Have any figures ever been made public as to how much government money was pumped out into different areas, up to and during the election campaigns?

AUSTIN NEIZEN,
Keokuk, Iowa.

No figures ever have been made public *officially,* but the Democratic National Committee has confidentially informed its various workers in the field on the amount of *"support"* given through public funds to various states. Some of these figures have made their way into print; others have not. The known ones reveal that on a *per capita* basis each family in Iowa received $399. North Dakota's *per capita* figure was $222. A total of 700 millions was poured into Ohio. New York State's share up to election time was in excess of one billion dollars. Missouri's participation was established on Sept. 15 at $224,000,000; Iowa's total at $220.170,000; North Dakota's at $147,628,444, with Federal crop control cheques pouring into the farm areas at the rate of $4,000,000 a day.

Up to and including the bitterly contested Maine election, Senator Daniel O. Hastings estimated that $108,000,000 was spent in that state, or $382 per enrolled voter.—Ed.

—o—

The I.L.O.

Sir:

The article by Cedric Fowler "We're in the I.L.O." in the August number of the NEW OUTLOOK, while it ends on a sympathetic note and is informative as to the present situation in labor legislation, seems to be written under a misapprehension as to the obligations which the United States

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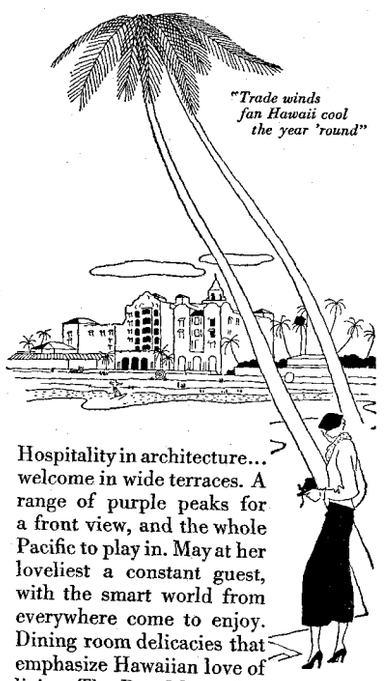

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Royal Hawaiian Hotel
on the beach at Waikiki
ARTHUR BENAGLIA, *Managing Director*

will assume as a member. In the negotiation of Part XIII of the Treaty of Versailles — the Labor Section — by far the most difficult problem was that of securing what amounted to special terms and concessions for Federal countries, in view of the fact that labor legislation is in most such countries, and especially in the United States, in the hands of local or state governments. The Federal Government therefore could not—so it was held by the American delegation at Paris—accept a draft treaty on labor conditions on the same terms as those nations which live under more centralized form of government. Therefore in Article 405 of the Treaty a special provision was inserted at the instance of the American delegation, and finally, after much hesitation, accepted by the other governments that:

> "In the case of a federal State, the power of which to enter into conventions on labor matters is subject to limitations, it shall be in the discretion of that Government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this Article with respect to recommendations shall apply in such case."

It will be seen therefore that, according to this provision of the Treaty, draft Conventions come to the United States only as recommendations for appropriate action. Admittedly this may mean long delays in the ratification of treaties bearing upon labor questions, a fact which may afford some consolation to those who fear that our domestic institutions are in any way endangered by cooperation with the International Labor Organization. On the other hand the I.L.O. furnishes the only non-revolutionary method for securing multilateral international action which has yet been devised, that of open conference by the interested parties. The representation at the I.L.O. offers governments two delegates for one each from capital and labor. The basis of this action therefore is enlightened and interested public opinion. Anyone who finds this technique a danger to American institutions has a strange conception of those institutions.

Very truly yours,
JAMES T. SHOTWELL, *Director, Carnegie Endowment for International Peace,*
New York.

—o—

Fears No "Regeneration"

Sirs:

I do not wish to continue my subscription since the magazine has become so reactionary and Anti-New Deal.

I am not interested in rugged individualism nor do I fear "Regeneration"—I favor the New Deal, if only selfishly, as I find my income more than doubled since the New Deal effects have reached more people and I can't support a policy to return to the Old Deal. I am not a Republican anyway. Better drop the "New" from your name and substitute "Old."

Yours truly,
DR. CHARLES H. DOE,
Tacoma, Wash.

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Quoted paragraphs from an address by Walter S. Gifford, president of the American Telephone and Telegraph Company, at Dallas, October 20, 1927.

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NEW OUTLOOK

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Volume 164 — Number 5

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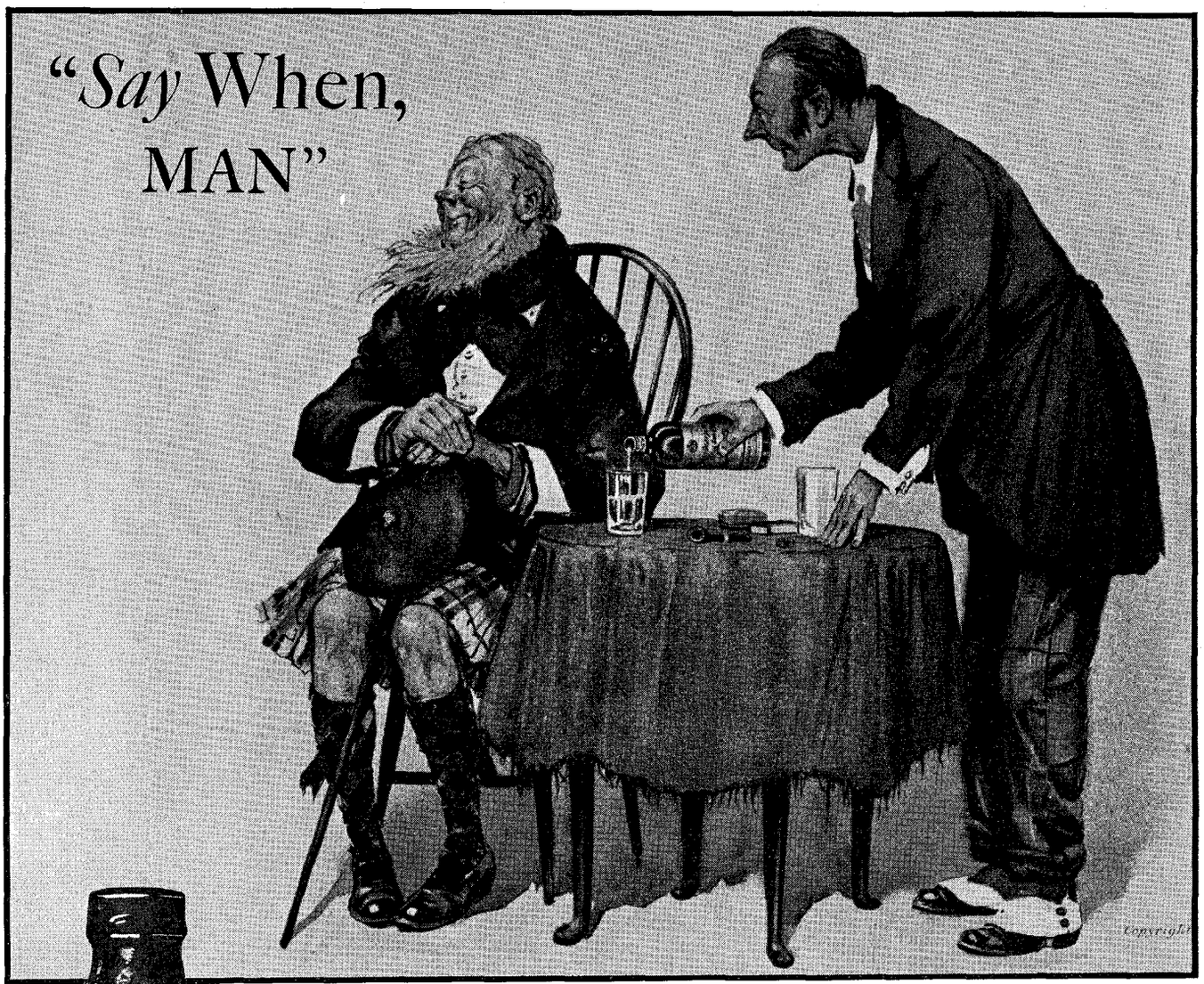

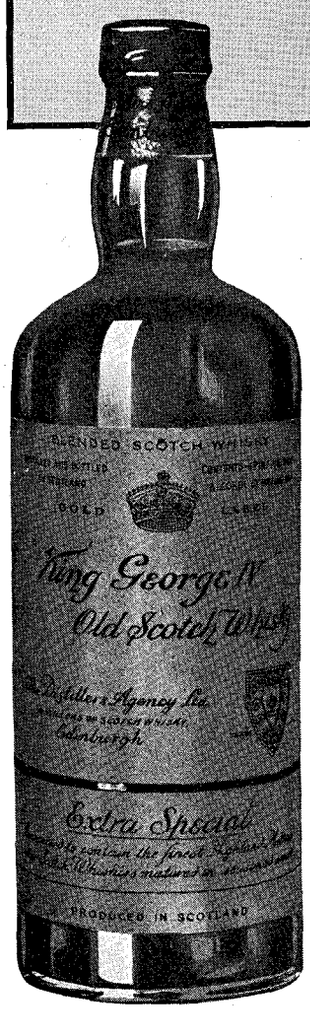

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NEW OUTLOOK

EDITORIAL

The Two-Shell Game

FOR LONG, much too long to be funny, it has been assumed that the party in power at Washington has been gambling with the fate of the nation with a standard and regulation deck of fifty-two cards (the joker, we understood, was removed); and the sole object of the game, we further were told, was to produce a deal which would please everyone, including the benign and smiling shill at the end of the table who continues to serve as Postmaster General, Chairman of the National Democratic Committee, and Chairman of the N. Y. State Democratic Committee.

It is difficult, at this date, to understand how it has been possible ever to have deluded so many of the 125,000,000 citizens invited to participate in the play for recovery into believing that it was an honest game of cards, in which fate alone held sway. It is encouraging to report that more and more of the suckers are drifting away from the table, on which no new deal has appeared, but at which a remarkable two shell game is being run.

In the words of the Chief Dealer himself, one of the shells is named Recovery, the other Reform and Reconstruction. Under which does America's fortune lie? For months we have been asked to decide. Unaccustomed to this kind of gambling in the conduct of the affairs of our nation, it is perhaps wholly natural that we have called to be shown so persistently what is hidden under the first shell. Fascinated rubes, over and over again we have requested one more look beneath the shell of recovery. Once we called—surely this time we must be right—and were shown a 59.6 cent dollar. Another time we looked and the demon of Unemployment was there. Urged again we still played, hypnotized by a beaming smile and a dulcet voice, the same shell. In place of the expected prize of renewed prosperity, we found we had captured a statistician's chart which revealed the United States in eleventh place as an industrial nation and still close to the 1932 bottom of the Depression. Again the spiel and again we looked; this time we are offered some horribly juggled figures which the conservative can only read as proof that by the end of the current fiscal year the national deficit will be approximately $32,000,000,000, or about twice what it was at the end of the Coolidge era.

Now after each of our chagrining defeats to win happiness and prosperity at this two-shell game, we are lured to a continuance to play with benign assurances that perhaps what we really seek and desire is under the shell of Reform and Reconstruction.

The spiel is wearing a trifle thin. The last count of the house proves this. The dealer exhorts the players with new appeals, which he neglected to use earlier in the game. The profit motive and private initiative are not to be sold at a discount at the cashier's cage. Over the heads of the mob he speaks now to his ancient enemies, the private bankers, who have grown cautious, grown extremely skeptical. "It's a pleasure to do business with you gentlemen."

This attempt for renewed faith in the old shell game is meeting with little success. Far-sightedness and concern for the future of the nation are not virtues possessed alone by the altruistic Brain Trusters. Among the conservative and serious players, who still count in America, the terrible suspicion is beginning to dawn: *there is nothing under the other shell either.*—F. W.

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UNCLE SAM, LANDLORD

The Myth of Slum Clearance

by Herbert Corey

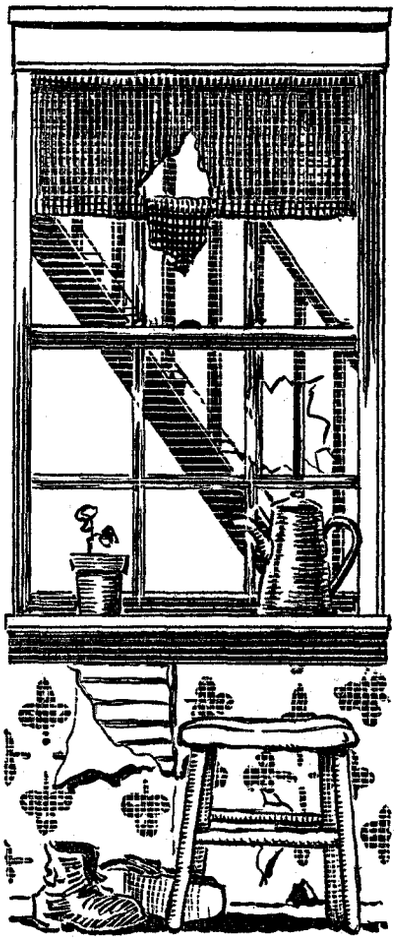
Washington, Oct. 20—Harold L. Ickes, P.W.A. administrator, today reported progress on the national slum clearance program. . . .

P.W.A. has allotted approximately $150,000,000 *for slum-clearance. . . .*

About $138,500,000 *has been budgeted to* 39 *Federal projects. . . .*

Of the 39 *projects tentatively budgeted, definite steps to get projects actually underway have been taken on* 9 *projects.—*

News Dispatch, Oct. 20, '34.



SEVERAL things come quickly to view in considering the New Deal's much heralded, seemingly altruistic, seemingly realistic slum-clearance plan. One is that economic law cannot be repealed. It may be pushed out of sight for a time. But it will come back. Another is that a plea in mitigation may be made for the slum landlord. He may be guilty. He may be as tough a nut as socially minded people have called him. But something may be said for him. Another is that, after all, for all of the politically posed altruism of the New Deal, few slums are to be cleared. The word *"few"* is mine. A member of the slum clearance organization speaks more forcibly—more frankly:

"No slums will be cleared," said he. "Not a slum. We cannot afford to clear slums. Even the government cannot do that. We will clean up some near-slums. We will put up buildings on patches of ground that are not nice. But they are not slums."

Another is that Uncle Sam has gone into the landlord business for the next thirty years, with painters, collectors, plasterers, plumbers, slate-and-gutterers hanging to his tails.

"It'll be a hell of a mess," said the candid official quoted. "But we cannot avoid it. We made our brags and now we must stick to 'em."

It should be remembered that the government did not do so well as a landlord in the brave days of the war. The situation is not even yet completely washed up. One of its villages was eaten by termites. Others were abandoned. Some were sold for about the cost of the window frames in them. Perhaps something has been learned by that experience. No one can tell as yet. There is evidence that governments do learn. Great Britain, for instance. Shortly after the war England embarked upon what promised to be a $5,000,000,000 campaign of house-building. While it lasted some of the rottenest houses ever stuck together outside of Zanzibar were erected for the British workman. Those which have not fallen down are now being propped up. In 1924 the country could stand it no longer.

"Had the government control continued two years more Great Britain would have been pushed into bankruptcy," says Herbert N. Casson, editor of *Efficiency Magazine* of London.

In 1924 the government turned over the slum housing business to the contractors and business men who knew how. Now small houses are being built in Great Britain by contractors coöperating with what we would call building and loan companies, and they are good. No apartment houses are built there for the low rent classes. What amounted to a boom in building began as soon as the government dropped what the politicians referred to as a plan of reconstruction and it is still on. Quoting Mr. Casson again:

"It is now clear to every one in Great Britain that if the politicians and civil service clerks had let housing alone there would have been no housing problem at all. Before the war about 100,000 houses a year were being built. The

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acute shortage of houses was caused by government control."

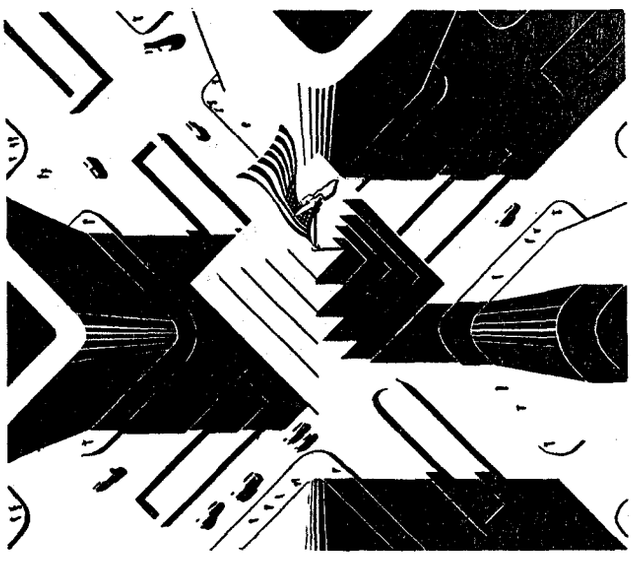
It is evident, then, that governments do learn. At least the government of Great Britain learns. Miss Frances Perkins, Secretary of Labor in Mr. Roosevelt's Cabinet, said recently that the British system of providing for the needs of the unemployed was more sensible and efficient than is the American system. Governments, however, apparently do not learn by observing the experiences of other governments. Postmaster General James Farley may know that the British Government tried to build houses by spending money under the direction of politicians and failed, and that in the end the house-building business was returned to the house builders. But it is possible that he has never called the attention of Secretary Ickes of the Department of the Interior to this fact.

The report made to the Brookings Institute by two of its investigators, Charles O. Hardy and Robert R. Kuczynski, on the experiment in providing low-cost housing by the government in Vienna was no more encouraging. It is true that in Vienna the state's investment was not expected to yield any financial returns and was written off the books as soon as it was made. After construction the only cost was maintenance and the rentals were correspondingly low. Yet the investigators find lack of evidence to support the idea that if shelter is to be paid for by the occupants, it:

"Can be built and operated as a public utility more economically than by private enterprise."

They also point out that the situation in Vienna which made the state's housing venture necessary in the beginning resulted:

"Not from free enterprise, but from public interference with the play of free enterprise."



No writer of the day is more in sympathy with the unfortunate dwellers in the depressed areas of English cities than is J. B. Priestley. His recently published book *"English Journey,"* consists very largely of savage attacks upon British slums and the conditions which compel their existence. But in that English journey he discovered that economic law will not be denied. To his admitted surprise he learned that the mortality rate among the residents in new, wholesome and attractive buildings which had replaced the old-style tenements exceeded the leath percentages in the worst slums.

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"The little extra rent," he writes, "demanded for the new houses was sufficient to reduce the tenant to a dangerous state of malnutrition. They were compelled to spend on rent what should have been spent on food, and though the difference was comparatively small it was enough to produce some astounding statistics."

It was the tardy recognition of this fact which compelled an alteration in the plans of the Federal Emergency Housing Corporation which Mr. Ickes set up with a capital of $150,000,000 appropriated by Congress to provide better lodgings in our city slums. The original purpose was stated by Mr. Ickes in these words:

"At last the United States has made a start on a national program to eliminate slums. . . . For those whose conditions of employment demand that they live in the more crowded areas we must provide decent and livable apartments at rents within the reach of all. . . . We realize that the $150,000,000 so far made available will hardly begin to scratch the surface in the matter of slum clearance."

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This has been restated by him time after time in the same tone, if not in the same words. Occasionally he introduces the human element by a denunciation of the slum landlord. He has charged that the owner of tenements in the areas inhabited by the poorest classes has in many cases paid off his investment years ago and is now realizing twenty to twenty-five per cent return upon the original capital. In some of the depressed districts, notably in Chicago and New York, rooms are being rented for as little as $3.50 per month. It is fairly obvious that the tenants occupying such rooms do so because they are unable to pay more.

"A fair average of slum rents is six dollars a month" said the FEHC official quoted at the beginning of this article. "When tenants are able to pay more, they move out of the slums. That generalization holds good everywhere. Only the most degraded willingly remain in these sties."

And yet, with the exception of a housing project for Negroes in Atlanta, where a four-dollar-per-room per-month rate is planned, not one of the houses to be erected by the FEHC comes within hailing distance of a six dollar average. Nor is any one of them so far as is known, and again with the possible exception of the Negro tenement designed for Atlanta, located in a distinctly slum area. The worst of the slums remain untouched. Mr. Ickes ran head-on into economic law and discovered that it could not de defeated or talked into surrender.

Owners of valuable slum land will not sell to him at less than a fair estimate of its worth. Not even the fact that he can, if he wishes, exercise the right of eminent domain has moved them from this position, for it may be assumed that the courts would not uphold a partial confiscation of the property values. He has therefore been compelled to transfer the scene of his operations from the slums to more distant locations which may not be preferred residential property but are still very far indeed from slum quality. In some instances the buildings which he proposes to erect will be adapted to the uses of the white collar class only, although apartment houses of this type are already a drug on the market in most cities and are standing with so many vacancies that their owners consider themselves unfortunate. It is possible that they will think of themselves as sadly misused by the FEHC, for the new buildings will

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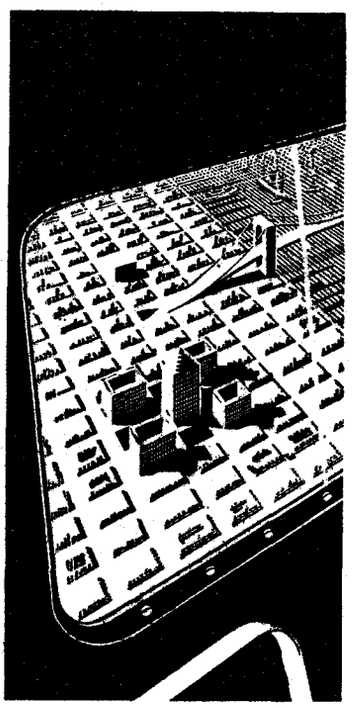
offer lower rentals than is possible to the private owner. This will be made possible through outright gifts by the government in some instances and outright ownership in others.

The Chicago slum clearance plan is an example both of what the Federal Emergency Housing Corporation is doing in the depressed areas and of the difficulties it is encountering in the doing. Mr. Ickes came to Chicago (his home town) with twelve and one half million dollars under his arm and what amounted to a promise that another equal sum would be spent if the first venture proved successful. Illinois has a State Housing Authority with provision to set up local housing authorities. Special legislation had been enacted permitting the setting up of limited dividend corporations for the purveying of low cost housing to the low wage classes. Dividends were limited to 6.5 per cent and the maximum rental was set at $9 per room. In the passage of time it developed that private capital could not be enlisted on such terms.



"Too much state interference" was the reply of those approached, if a generalization be permitted. "Too much political monkeydoodle. You ask us to accept voluntarily the least desirable and least reliable class of tenants and to accept a form of contract which only assures us a loss. We will not do it. Go to the Federal government. It has money to spend that way. We haven't."

The State Housing Board did precisely that. After considerable delay, an area was defined on which the experiment of low cost housing is to be made at the sole cost of the Federal Emergency Housing Corporation. A seven-dollar rental is proposed, although this is not regarded as assured. The site selected now houses perhaps 3,000 families.

"Some persons maintain" wrote S. J. Duncan-Clarke in a despatch to the *New York Times,* "that the district chosen is not in a real sense a slum. It has many habitable houses, several churches and schools and a small park. It is largely tenanted by Italians, some of whom pay as low as $3.50 per room. The rent of $7 per room proposed in the new PWA project will, it is argued, drive many of them into less desirable neighborhoods."

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Experience elsewhere has shown, too, that when a slum or near-slum district is cleaned up, some of its tenants move over into the poorest housing accommodations in nearby areas. Often they rent properties which would otherwise remain empty, and in consequence the neighborhood moral and monetary values are depreciated. In Chicago, Mr. Duncan-Clarke points out, "There are worse slum areas than that selected. Some persons want to know why, if this is to be a slum-clearance project, those hideously blighted districts were not picked—regions in which much property has already been condemned although not yet demolished. Local Administrator Dresser says the latter areas were passed over because they abut on industry."

Mr. Ickes is frankly displeased with the situation, but has been compelled to take the best he can get. The objections raised in Chicago to his selection of a site have so roiled him that he has threatened to take his money elsewhere. Some take this as a threat. No matter where he goes, however, it does not appear that he will operate in the slums.

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The land costs too much. On the lower East Side of New York the slum land is held at approximately eight dollars a square foot. No doubt it could not be sold at that figure in the present market, but the holders are convinced that the time will come when that price can be realized. Meantime the slum tenements are paying their way. If they were wiped out of existence by fiat tomorrow, their occupants would be unable to find other quarters at a rent they can pay. The landlords are unable to see the justice in Mr. Ickes's reasoning that they owe a duty to humanity which should be discharged even at a grave loss to themselves. Precisely the same condition exists in other cities. Yet Mr. Ickes felt that the $150,000,000 which had been put into his hands for the slum clearance project must be spent in order to get wages in the hands of the temporarily unemployed. He sought to obtain the assistance of public-spirited citizens who would be willing to take the chances of a loss of a part of their investment, and the certainty of a small return under the best conditions, and promised to loan 85 per cent of the money needed for slum projects on long terms. The Federal Emergency Housing Corporation was set up, three of its board of five directors being Mr. Ickes; Miss Frances Perkins, Secretary of Labor; and Professor Rexford Tugwell, Under-Secretary of Agriculture.

Five hundred and thirty-three limited dividend corporations offered themselves as prospective sharers in the work and the available millions. Some of them disclosed nothing worthy of Mr. Ickes' attention except an intelligent desire to learn what was going on. Others appeared to be well meaning and sincere, but they lacked the financial backing which was required. In the first passage through the sieve only eighteen corporations remained for consideration. The current was turned on and all but seven of these burned up. Not one of the seven proposed to build in the strictly slum areas. For the most part, and perhaps in every instance, they offered land for their fifteen per cent equity against the loan to be made by the FEHC, plus relatively small sums of money. The projects on which the seven limited dividend corporations are now engaged are:

Name	Location	Gov't Loan
Hillside Housing Corp.	Bronx Borough, N. Y. C.	$5,060,000
Boulevard Gardens Corp.	Queens Borough, N. Y. C.	3,450,000
Juniata Housing Corp.	Philadelphia, Pa.	1,039,000
Euclid Housing Corp.	Cleveland, Ohio	1,000,000
Neighborhood Gardens	St. Louis, Mo.	640,000
Boylan Realty Corp.	Raleigh, N. C.	198,000
Alta Vista Corp.	Alta Vista, Va.	84,000

Not one of the seven is in a strictly slum area. The Hillside Housing Corporation and the Boulevard Gardens

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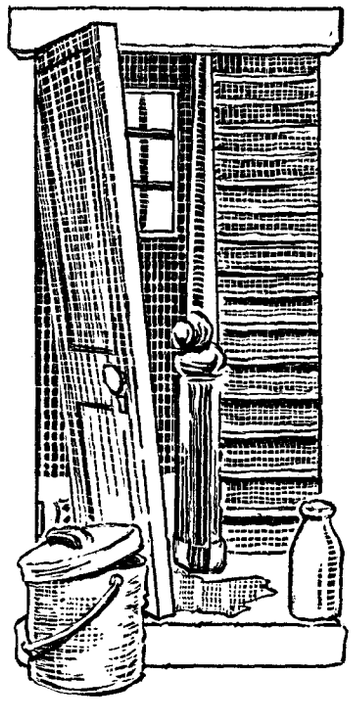
in New York City are at a considerable distance from a slum. The man who was the original object of governmental solicitude will not be helped by them at all. The average and highest practicable rent in city slums is six dollars per month per room. This represents the highest level of payment the poverty-stricken tenants are able to make. In the Bronx and Queens projects the rent will be $11, although in New York the projects will be free of state tax. In Euclid, Ohio, a suburb of Cleveland, the rent is to be $10 per room. There it is planned to build 300 semi-fireproof houses of six rooms each. A family that can afford to pay $60 per month rent is not in the category of slum dwellers.

Three and four room apartments are to be provided by the Juniata Housing Corporation in Philadelphia at a rental of $8.40 per room. In the Neighborhood Gardens in St. Louis the rent will be $9.67, and in Raleigh, N. C., the Boylan Realty Company proposes to charge $10. The project in Alta Vista, Virginia, is of a different type. Here decent housing quarters were needed by the employes of a small factory in this village of 2,640 people. There are perhaps thousands of other villages in which industrial employes have an equal claim on the government's generosity. But it is certain that nothing approximating the true city slum can exist in a country village.

No matter how successful the seven limited dividend corporations' projects may be as investments or as needed neighborhood improvements, it seems obvious that as slum clearances they are failures. The FEHC then proposed to coöperate with Housing Authorities to be created in various cities. It offers to grant outright to such authorities thirty per cent of the cost of labor and material in slum clearance projects, and to loan as large a share as is necessary of the balance on a long term amortization scheme. This may in some instances amount to a Federal assumption of the entire cost of the land and building. At the end of the period of thirty years the buildings so built with Federal money will be turned over to the Housing Authorities, if the Federal government has been reimbursed. A careful study has been made of the financial set-up, and it is stated that ample allowance has been made for the percentage of vacancies to be anticipated, repairs, etc. The rental rates will be fixed at the lowest possible figure to permit the projects to pay out in the periods agreed upon.



The activity of the Emergency Housing Corporation in Cleveland, Ohio, seems to be of an entirely different character. For years the people of Cleveland have been aware that the city needs replanning. Their attention was drawn to this fact as long ago as 1928. Various committees of public-spirited citizens have wrestled with the situation and it has been stated that the popular support for a new scheme, if and when worked out, would be close to 100 per cent. As a result of this energetic and well directed inquiry, a plan had been developed which calls for the ultimate expenditure of not less than $285,000,000 over a period of years. Seven so-called blighted districts were to be rehabilitated, to the advantage of the 300,000 people who live therein.

When the Emergency Housing Corporation began its work, the Cleveland committee put the city's condition before it. It was shown that twenty-two of the seventy-one square miles of the city were embraced by the blighted areas, and were occupied by the lowest economic groups, with a medium rental of $25 monthly. Cleveland led an attack upon the Ohio legislature for statutory permission whereby the Ohio communities might create Housing Authorities, and when this law was enacted application was made to the Emergency Housing Corporation for a $12,000,000 loan for housing purposes, to be disbursed by a limited dividend company which was to put up an equity of $2,000,000. This plan has fallen through, for the company was unable to raise the $2,000,000 needed. In consequence the Housing Corporation has taken over the project and will provide sums ranging up to a maximum of $12,000,000. Two and three story structures are to be erected on 31 per cent of the land, the remainder of the rebuilt area to be covered by streets, parkways, playgrounds, parks and the like. Storerooms and office accommodation will be provided, and the home rentals will not exceed $8 to $8.50 per room per month, with the hope that at some time in the future the rentals may be reduced to $6 or $7. The Federal government will assume the entire cost of land-buying, building, property management and the like. This is to be the first example of its kind in the United States.

Unfortunately, from the point of view of the Emergency Housing Corporation, the project is handicapped by the fact that it will not be tax free. In its desire to clean up the blighted districts, Cleveland proposed to relieve the clearance project of all city taxes. It was objected that this cannot be done under the law and at the moment of writing the matter of tax-freeing the plan is in abeyance. A similar condition exists in Cincinnati, where a several million dollar project has been placed before the FEHC for consideration, as well as in other Ohio communities. In most of the states—with the notable exception of New York—it has been found that under existing laws it is impossible to free the Federal government's housing projects from taxes unless new legislation is secured.

There are now thirty-nine projects under consideration and work is more or less advanced in thirty-three cities. The initial step is, of course, that of obtaining title to the land. This is conducted precisely as real estate companies conduct a similar operation. Agents are sent out to secure options, and are selected for their ability to keep their mouths shut as to the identity of the buyer and the purpose of the operation. When eighty to ninety per cent of the needed land has been secured the owners of the remaining plots are in effect notified to come in and surrender. If they refuse, the right of eminent domain can be exercised by the government. Three- or four-story walk-up apartments—in some cities only two-story apartments—are favored for the crowded centers, with six stories as the maximum height. In cities where land is less costly semi-fireproof row houses will be preferred. In all instances independent architects compete in drawing the

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plans, subject to definite limitations of cost and quality. The care with which these specifications have been drawn is shown by the provision in every apartment house contract governing the location of the bath and toilet. It is recognized that slum dwellers are often compelled to fill their homes with roomers in order to pay the rent. Therefore the toilet must be located on neutral territory, so that the users need not pass through a living-room which may be in use as a dormitory. The standard apartment is to be of three rooms, although a few four-room flats are provided.

There is no attempt to disguise the fact that the FEHC is not proceeding along the lines laid down in Secretary Ickes's first statement of its plans. He then said that: "The Public Works Administration will continue to lend on slum clearance operations and low cost housing projects sponsored by limited dividend corporations. . . . It is the intention of the PWA to take the initiative only when local agencies are unable or unwilling to do so." It is evident that this has occurred in practically 100 per cent of the cases. This, however, is rather beside the point, for the past and future expenditures have been justified by Secretary Ickes as a substitute for an otherwise necessary dole. A danger was gotten around when the FEHC ran up against Controller General McCarl's ruling that the whole project was illegal and that government funds could not be used for the purpose contemplated. He contended that "appropriated monies" are subject to the usual safeguards surrounding appropriations by Congress, whether their disbursement was made by a Federal department or a corporation set up under an interpretation of an Act of Congress. He also objected to the corporate term "perpetual" as applied to the Housing Corporation and pointed out that the corporation's life was limited to two years in the basic act. Mr. McCarl refused to proceed on the assumption that the government must continue to build houses for a people who, as the evidence shows, have actually built too many houses for themselves. After two months of debate, the Attorney General rendered an opinion in which he upheld the constitutionality of the act and of the FEHC.

Mr. McCarl thereupon retired from the debate. This presents something of a puzzle, for in the past he has taken the position that an opinion rendered by an Attorney General has no more weight than one rendered by any other competent lawyer, and has insisted upon proper review by a court. On closer scrutiny, however, it appears that the Controller General has merely conceded that Mr. Ickes has cured the illegality of his attempt to spend money through a corporation set up by himself by a system of passing the money from hand to hand. The money had been placed at his disposition by Congress for the purpose of building tenements in the slums. The Housing Corporation under the new plan buys land, clears streets and erects buildings. Then it presents the bills to Mr. Ickes and he pays. The same end has been accomplished, but the accomplishment is covered by the laws which it is the Controller General's business to uphold.

Meanwhile the slum problem *per se*—the one the FEHC was organized and given $150,000,000 to deal with—has in fact not been touched. It is the statement of the officials of this organization that it can, thanks to direct grants of money and the terms of the long time loans granted, construct tenements at thirty per cent less cost than can any private builder. Yet in spite of this tremendous advantage, the FEHC has not been able to pay the price demanded by its owners for slum land and still erect on that land tenements which can be rented at a cost the average slum dweller can pay. Even in Cleveland, where the FEHC has entered upon a project which calls for the immediate expenditure of $12,000,000, and no one knows how much more ultimately, the operation is in fact one of city planning rather than of slum clearance. The areas to be improved are classified as "blighted"—the houses are largely unoccupied, the means of access thereto are inconvenient and the pleasanter features of city life are nonexistent—but they are not to be regarded as slums as slums are to be found elsewhere. Meanwhile it would appear that Mr. Ickes has made a pattern that may arise to plague him. If one city may be partially rebuilt on a pleasanter plan at the entire cost of the Federal Government, other cities may surely claim the same privilege. One of the great cities has in fact asked for that very thing.

"We have no slums" its civic leaders boast proudly. "Never have had any. Even in our meaner streets there is nothing to be found which even remotely resembles a slum."

But they want money for rehabilitating certain areas on a city-building plan. They point out with considerable vehemence that they ask for no more than Cleveland is getting and no more than has been promised to other cities. Their city, they say, will be a much more delightful place in which to live if the FEHC will tear out certain areas, widen certain streets, put up fountains and goldfish bowls and bronze plaques and give the little children fine playgrounds, all at the cost of the Federal taxpayer. They argue with all the force available that their city should not be penalized merely because it has kept itself free from slums. At the time of writing these presentations are being seriously considered by the Board of Directors of the FEHC.

During these discussions on what to do, the slum landlord has been practically forgotten. Unpleasant as it may be to admit it, the fact appears to be that the FEHC has tacitly admitted that he cannot furnish any better quarters for his tenants or charge them any smaller rents as long as his land is salable at its present value, and taxes are assessed against it on a basis of what is and not what should be. In effect he has been vindicated. His rights, in the last analysis, have been ignored.

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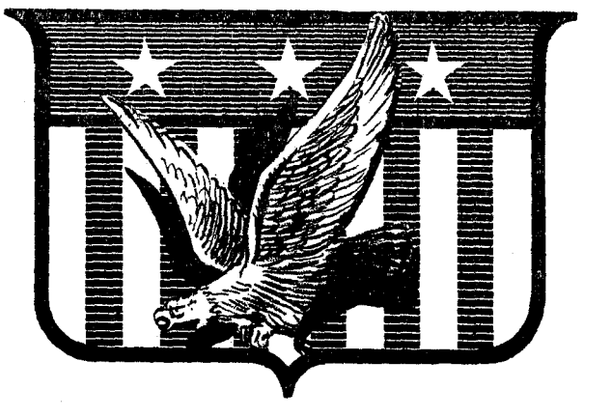
In Search of an Asst. President

"Assistant President of the United States"—have we one?; do we need one? This article examines the forces and pressure creating a post never mentioned in your old green civics book.

by James K. James

IT was when that particular, and not insignificant, section of the New Deal bomb known as the National Industrial Recovery Act exploded in the spring of 1933 over a four-year depressed American populace, then beginning to cry in almost unanimous chorus for bread, that it became apparent to the astute Washington commentators, that three-ring circuses cannot be run by a single ringmaster. With unemployment at that moment what it was among the Democratic showmen, something surely would be done about this anomaly—a vacancy in a non-existent office. Since not bread alone but circuses as well have been included in the charge-account gifts of the New Dealers, more and more frequently, the Washington corps of the Fourth Estate—wholly without authority—began to refer now to this one, now to that one, as "Assistant President." It will be recalled that upon the occasion of President Roosevelt's first vacation after assuming office and during the course of the London Economic Conference, the idea that America had the help of an "Assistant President" was echoed in both the English and the French press.



Obviously the American people—and this goes for everyone else—have no right to assume that we are enjoying the services of an assistant ruler until such time as the President himself has spoken, giving official designation of a title hitherto unheard of in the history of the American Commonwealth. Naturally, for constitutional, if for no other, reasons, and conceivably there may be others and these will be examined later, it is not to be expected that a formal pronouncement on this question will be forthcoming in the immediate future from Washington, or from Hyde Park.

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Yet the question continues to intrigue, and the problem cannot be listed as anything less than significantly emergent. As recently as late September, when Bernard Baruch, returning from Europe, was hastily summoned to Hyde Park for an "important and secret conference with the President," the rumor was again abroad in the land that Mr. Baruch, following upon the reorganization of the NRA, would be invested formally with that so frequently unofficially used title, "Assistant President." The fact of the matter was that Mr. Baruch, as General Hugh Samuel Johnson's former chief, and as the one out of 125,000,000 Americans qualifiedly acquainted with the eccentricities of the General, merely had been summoned to give his advice on ways and means by which the NRA King could be removed noiselessly from the New Deal deck—that and nothing more. But when the bouncing act had been accomplished, with much less fuss than had been feared and without even the necessity of starting another magazine, and when the bluff and bluffing old general had shed, as in benediction, a parting tear or two (with biblical quotations thrown in free) upon his headquarters staff in Washington, and still further when reorganization of NRA had shuffled momentarily a new face on top of the deck, the commentators and the correspondents were back once again with their persistent political thought. Said they in effect of the owner of the new face, "This means that Donald R. Richberg is now Assistant President."

For the sake of the record at least it should be kept in mind that it was an appointment of first class importance, made by the President in the summer of 1933, which first gave impetus to this thought of America's need for an "Assistant President," "Assistant to the President," "Executive Manager," or what you will. The appointment was that of Frank C. Walker, now on an indefinite leave of absence—at his own request. The powers which were conferred upon him were so impressive, so inclusive, that seemingly they could not be confined by one single title. So Mr. Walker was given two: Director of the National Emergency Council and Secretary of the Executive Council. Dictatorships (in the wrong hands to be sure) have grown out of less. And if anyone is inclined to believe that the subject of the possibility of the United States employing an Assistant President is purely academic speculation in these times of change, having never encountered any definition of such an office in his old green civics book, it might be inquired of such a skeptic if he ever

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read in that same dry school text reference to any such organization as the Executive Council. Such a thought would have been enough to make an old-fashioned Presidential Cabinet mad. And what was more it made the *moderne* New Deal cabinet mad. The Washington correspondents therefore were heaping new live coals on a fire already burning briskly when they gave Mr. Walker yet another title and called him "Assistant President."

But Mr. Walker, as an emergency recruit, had another view of his rôle, and of his task. He saw it as that of humble coördinator—a large enough job in itself at the New Deal table over which the alphabet soup was then being spilled. Cabinet members refused to accept Mr. Walker's humility at its face value. Several members thereof were at no little pains to make it quite clear that the Cabinet had not abdicated, that in the Executive Branch, next to the President, they were still supreme. Against their obstructionist tactics Mr. Walker fought on, seeking to accomplish the almost impossible task of coördination in the midst of the chaos of New Deal bureaucracy, until early last summer he asked for, and was granted reluctantly, an indefinite leave of absence.

But that was not the end, merely one more occasion on which the title, or better still, the thought of the title, of Assistant President was invoked. If it had not been, in a measure perhaps only, for the minor scandal of the CCC camp kits, but more certainly because his greatest interest, his greater value, to his Chief is exclusively in the sphere of party politics, Colonel Louis McHenry Howe might at one time have achieved the status of Assistant President. No such handicap surrounded Dr. Raymond Moley, at least not up to the time of the fiasco of the World Economic Conference. Until he went the way of all sound conservative thinkers in the New Deal, Lewis W. Douglas was an able candidate for the title; a title which at the height of his cracking down power General Johnson assumed everyone knew he possessed anyway.

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No one should presume to know what is in the mind of a President who has not spoken, not even a literate Chief Usher. The formal creation in the organization of the world's largest business of a post which no one would expect even an insignificant $100,000 private corporation to operate without, may, or may not ever, have achieved the status of a concrete thought in the minds of any of our last three or four Presidents, including the incumbent. But if it had, it must be remembered that mere official proposal of such an idea would be fraught with personal and political responsibilities, which no individual would care to assume, and also with many good chances of reflecting upon the chosen of the electorate so brash as to come forward and ask for help. No, today the potency of the idea of America enjoying the services of an assistant ruler is not so much the wish of an individual as it is the impersonal result of the force of work exerted upon the Chief Executive himself. And therein lies its real significance. We are told that in Hoover's time the total annual number of White House calls once reached 560,130—or approximately 1,540 daily, counting Sundays, a record which was easily broken in the first year of the New Deal.

But it will be seen from these figures taken from a pre-New Deal administration, that the problem is not one exclusively of the day of the New Deal. It has been growing for a long time. The Rooseveltian concept that the government should do everything for everybody has merely accentuated it. The physical and mental burden which the American voters dump upon their Chief Executive cannot have escaped anyone who has ever contemplated the high and quick mortality rate among our Ex-Presidents. Theodore C. Joslin, who was secretary to Ex-President Hoover from 1931 to 1933, recently confided to a magazine audience that when he was in office Mr. Hoover once remarked, "This job is nothing but a twenty-ring circus. . . . All the money in the world could not induce me to live over again the last nine months." (January-September, 1932.) "This office is a compound hell."

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In the light of this remark of his predecessor, and remembering that his own program for recovery has increased many times the activities of the government—activities never dreamed of before as the function of government, it would seem difficult to deny that such a title as "head of the National Economic Council," currently Mr. Richberg, is at least secret recognition on the President's part of the need for additional assistance in the administration of the internal affairs of the nation. This proceeding by indirection toward the inevitable can be taken only as an indication of reluctance to face the pressure of objection which surely would come with the formal announcement that America has an assistant ruler.

We have seen already how such objection flared up from the Cabinet upon the appointment of Mr. Walker. Objection and protest also might be expected from taxpayer and voter alike. The tax-ridden subjects of the battered Constitution might naturally be inclined to inquire, "Haven't we got an Assistant President already? What about the Vice-President?"

Let us look into this matter of our Vice-Presidents. The ease with which the most forceful of these have achieved the status of official nonentities is legendary in American humor. The most humorless of them have been known themselves to spring the hoary joke upon themselves. Vice-President Garner told it again on January 1, 1934, when he was asked for a New Year's opinion upon the state of the nation. Said he: "I'm not supposed to have opinions any more. I'm merely supposed to vote in case of a tie, and when is there going to be a tie?"

Retirement to silence on the high bench in the Senate is implicit in the final roll call of the party convention, which not only reveals the winner, but also the politically strongest also ran. That's your next Vice-President. Now his strength, which however unfortunately wasn't quite enough, is most frequently represented in the fact that he was the strongest opponent of the successful nominee. He has declared himself as not in sympathy with the political theo-

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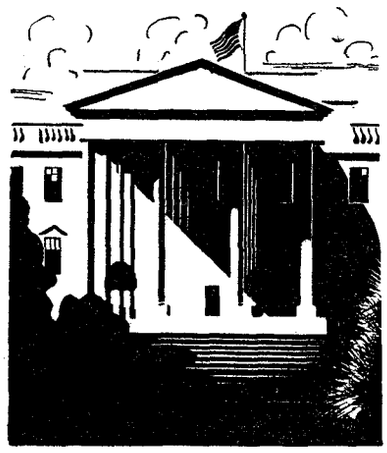
ries and ideas of the victor. In carrying out the administrative work of his party's term in power he could hardly be expected to serve as a successful alter-ego for the Chief Executive, so he is retired to the position of head of the Legislative.

Vice-President Garner is an avowed conservative, perhaps not of the Carter Glass conservatives, but a conservative nevertheless, and among his intimates is known to be in sympathy with few of the New Deal experiments. No, the Vice-President won't do; and besides, as Mr. Garner has already pointed out, he has to be over at the Senate once in a while anyway, just in case of a tie.

Before exploring further our own suddenly emergent need for an Assistant President let us examine this need in the light of European government. There in some instances it has been fulfilled for a long time. In the case of other European countries, the pressure of centralization of government power and authority, from which we are just beginning to suffer in the most violent way, has itself produced the answer (a bad one to be sure) in the form of a dictator. A duality of rulership is now the common practice in Europe, and that regardless of the degree or kind of power or importance which may separate the two given rulers: the President and the Premier of France; King Emmanuel and Il Duce; President Kalinin of the Union of Socialist Soviet Republics and the Secretary of the Communist Party (the real Red Czar); Prime Minister MacDonald and the charming and gracious opener of British bridges and hospitals.



It might be objected here that at least in time the difference both in degree and in kind of authority assumed by one or the other of these Siamese rulers would create out of the other a nonentity which easily might be mistaken for an American Vice-President. The analogy, if made, hardly would hold. We may examine the case of England. It is a fact not to be disputed that the fate of England internally and internationally is in the hands at this moment of Ramsay MacDonald. But a change of power, the sweeping aside and into the discard of the Nationalist government would still see King George functioning as the titular head of the British Empire. Certainly such permanency is not to be confused with the absolute eight-year limit of rule of an American Cinderella of politics who winds up as Vice-President.

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But even more is the difference apparent in the traditional assignment and division of functional offices in the case of twin rulership. These functionary duties in the United States remain about the neck of our hard-working and overworked Chief Executive. If this were not so the rotogravures of a forgotten but not so distant day would not be found to be littered with pictures of a former resident of Northampton, Mass., burdened and bedecked with Indian feathers, beads, sombreros, etc., etc. In the Harding and Coolidge eras, time out for photographs on the White House lawn began to usurp a surprisingly large part of the constitutionally allotted four-year period in which to make good.

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Hoover, under the stress of a deepening Depression, and also out of a nature congenitally opposed to such Babbitt tomfoolery, began a ruthless practice of cutting down on such time wasting shows, let the votes of the visiting firemen fall where they may. President Roosevelt has contined this practice; but the time saved alone is not enough to serve as a substitute for the increasing need to share some of the details of executive responsibility.

Out in the periphery of the whirligig of national affairs, the astute Washington observers have descried this need. But there is some doubt as to the exactitude of their nomenclature when they refer to it as a need for an "Assistant President." Speaking academically now there is an admissible question as to whether "Assistant President" as we know the meaning of that term, by connotation through its long employment in business organizations, would be adequate to the duties which he would be called upon to perform, to the powers which he would have to assume to be effectively helpful. Would "Assistant President," in lieu of the President, be acceptable to the delegation of the Ancient and Honorable Order of Former Organ Pumpers, gathered on the White House lawn? Would he be listened to respectfully and his authority heeded by Cabinet members accustomed only to listen in that manner to the President of the United States? These are, of course, academic questions and without the right of serious consideration until such time as the office is actually created, or until such time at least as the manner of creating and filling the office is determined upon. They are points, however, in complete proof that the simple, arbitrary elevation of an efficient member of the White House Secretariat to the rôle, to the duties, to the functions and responsibilities of Assistant President would not do.

We have examined America's need for additional help in administering her multitudinous government affairs in the light of the structure and experience of European governments. A better and more satisfactory analogy can be found in the organization of our larger corporations, bearing in mind always that of these the United States is the largest. If these large businesses, exclusive of the largest (and the President has said that the United States is a partner in them all) cannot function properly without a duality of executive control, how then expect the gigantic business of government to operate without such aid? But in the large corporations—United States Steel, General Motors, American Can, Continental Can, Eastman Kodak—the duality of control does not lie between President and Assistant President. Rather the true analogy is found in the powers and duties divided between the President and the Chairman of the Board.

In private corporation set-up, the chairman of the board is responsible for the formulation and management of the larger policies of his company, is responsible, generally speaking, to the stockholders, the President is charged with the details of administration (he signs the letters) and is responsible, generally speaking, only to the board. Such a

(*Continued on page* 63)

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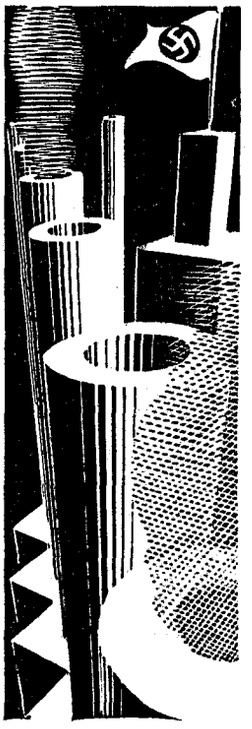
Quandary in the Saar

by Albin E. Johnson

A promise made 15 years ago by an American President must shortly be met and fulfilled. It was made before Europe ever heard of Hitler, or dreamed of Nazi persecution of religion. These are the important factors of the current quandary in the Saar, upon the outcome of which the peace of Europe may rest.



TO be, or not to be—NAZI!

That is the question which nearly a million Germans, inhabitants of that most densely populated corner of the former Fatherland, which through the whimsies of post-war political fortune and because of the idealistic stubbornness of Woodrow Wilson still remains figuratively free, will have a chance to answer when the Saar plebiscite is held just after the first of the New Year.

Outwardly, the half-million people who are eligible to vote in the Saargebiet, which fifteen years ago was forcibly, albeit temporarily, detached from the Germany of the ex-Kaiser by the Versailles Treaty, are preparing to express an opinion on one of these three different propositions:

Do they want to unite with present-day Germany?

Do they wish to become an integral part of the French Republic?

Do they choose to maintain the *status quo,* namely, continue as the political wards of the League of Nations for an indefinite period?

Off the record, however, the actual question which perplexes them is whether they want the Saar to remain German—and free, or become German—and Nazi. When the ballots are finally counted in the "free, secret and trustworthy" elections which strict neutral international supervision is supposed to guarantee, the world will have a reasonably fair answer to the oft-posed query:

"Is Nazi-ism German?"

The Saargebiet is German—98 per cent of it, if not more. That is incontestable fact. Throughout the length and breadth of its 880 square kilometers (the Saar is one third as large as the state of Delaware) its 820,000 people (they are about as many as live in Boston) bear the unmistakable and ineffaceable earmarks of Deutschland. In language, in culture, in habits, in customs and appearance the Saarlanders are Aryan-Teutonic, and proud of it. Even including those who come from around Saarlouis and who bear names steeped in Napoleonic and Bourbon tradition. In Saarbrucken's beerhalls Prussian moustachios and cropped domes are the rule rather than the exception; barrel-bellies and duel-scarred faces are as common as in Munich, Bremen or Heidelberg. The Saar's national identity has not, and cannot, be questioned. The interesting thing to be learned is: Will these Germans, free from all restraint, and after seeing all the colors of the political picture painted by Adolf Hitler, voluntarily embrace Nazi-ism?

The answer to that question is not going to come easily.

Torn by conflicting political passions, crushed between economic millstones, dominated by deep-rooted religious convictions, the Saarois have but one common anchor to windward, namely, their racial homogeneity with Germany. Ordinarily blood is thicker than water. If it is in the Saar of today hearts will dictate decisions; if not, heads will direct the people to vote for preservation of their material, physical and spiritual well-being.

Since Adolf Hitler was gratuitously raised to the Chancellorship of Germany by the Ruhr Industrialists (who wished to kill trade unionism), the Prussian Junkers (who used him to destroy the Weimar Constitution and the German Republic) and the von Papenists (who yearned to smash political parties and the Reichstag) the common people of Germany have had two opportunities of turning thumbs down on Nazi-ism and Der Fuehrer. First, they were asked to "Okay" Berlin's withdrawal from the League of Nations and the World Disarmament Conference after it had become a *fait accompli*; more recently they were requested to place the stamp of approval upon

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Hitler's "legalized" seizure of President von Hindenberg s toga. On both occasions the voters were warned that a negative ballot was treason—and meant a Concentration Camp. On both occasions the count was preposterously overwhelming in Herr Hitler's favor.

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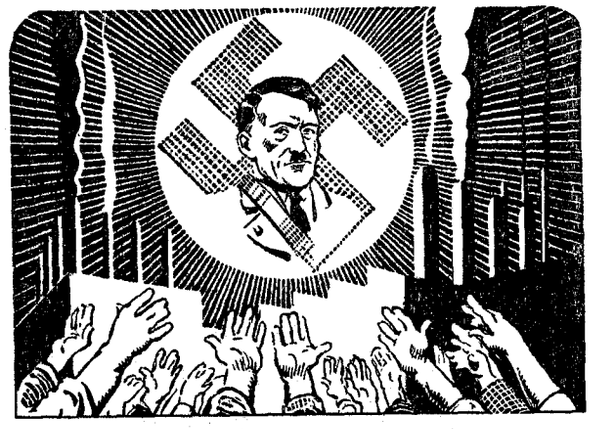
In the coming Saar plebiscite the cards will be stacked differently. There will be no valid excuse for a Saarland German voting other than he sincerely thinks.

When Adolf Hitler took over the Berlin government eighteen months ago the Saar was ready to go unanimously for re-affiliation with Germany. Six months later, despite the clashes with the Church, both Catholic and Protestant; the forcible dissolution of political parties, chiefly Centrists and Social Democrats; the suppression of Trade Unionism and anti-Semitic excesses, the Saar still would have voted 70-30 to return to the Fatherland. However, since the Hitler-Goering "blutbad" and "purgings" and the assassinations of General and Frau von Schleicher, Dr. Klausener, von Bose and others, the Saarlanders have begun to think seriously. Conservative observers say a plebiscite today would go against the Nazis.



Unlike their brethren inside of Germany the people of the Saargebiet are exceptionally well-informed. Besides their own independent press there are published in Saarbrucken, Saarlouis, Homburg and other Saar cities, fiery anti-Nazi sheets such as the *Volkstimme,* official mouthpiece of the German Social Democrats; the *Deutsches Freiheit,* edited by Max Braun and Trade Union leaders; the *Neue Saar Post,* vehicle of the Catholic Opposition, and various other influential newspapers. From Brno, Czechoslovakia, comes the fighting *Arbeiterzeitung*, Vienna's Socialist newspaper; from Paris the *Pariser Tageblatt,* directed by Georg Bernhardt, ex-editor of the once world-famous *Berliner Tageblatt,* who now is leader of the Jewish refugees. Switzerland pours many of its German-language newspapers into the territory and French, English, Belgian and Scandinavian newspapers circulate widely. The censored Nazi press of the Fatherland provides eloquent contrast. In addition, refugees of all categories—Communists, dissident and discredited and disillusioned Brownshirts, Catholics, workers, Socialists and Jews—pour into the Saar with their tales of concentration camps, Dachau, confiscations, beatings and persecution. To say nothing of Goering's *agents provocateurs* and Goebbel's propagandists.

Even within their gates the Saarois have had and are having a pre-view of what may happen if they come under Berlin's enlightened rule. And they do not like it! The Deutsches Front claims to have (as a result of intimidations, kidnappings and oppression) pledged 93 per cent of the population to vote German—and Nazi.

Although the League's Commission is supposed to govern the territory—only sixty-six out of 13,000 officials are non-Saarois—it is practically helpless before the "government within the government" which the Nazis have created. Courts fail to function, police are derelict in their duty and terrorism, sabotage and rowdyism are rife. According to G. G. Knox, Irish-born British chairman of the Governing Board, 2,000 additional police, recruited from neutral regions, will be needed to maintain peace and order until next January.

Without them the "free, secret and trustworthy" plebiscite prescribed by the Peace Treaties, guaranteed by the League Council and "promised" by Berlin will be a farce, Knox says. His long-standing plea for additional police aid has only recently been met by an offer from Premier Mussolini.

A dozen different threads weave in and out of the tangled skein which goes to make up the economic, political and cultural fabric that is the Saar today, all or any of which could hopelessly snarl the best laid plans of plebiscite campaigners. Aside from sentimentalism and emotionalism, that indefinable affection for the land of one's birth, the tongue of one's forefathers and the traditions of one's ancestors, which alone would have been sufficient in pre-Hitler days to raise 98 per cent of the voices in the Saar for Germany, the religious element is unquestionably the most potent factor at the moment—and will continue to be until the final decision is rendered.

One word from the Vatican on the eve of the balloting and the die would be cast —if? If the Church chooses to give that word. And, if the Church pronounces it, it will not be because the Vatican has any particular preference as to whether the Saar, territorially speaking, is under the French tri-color, the German banner or becomes autonomous, but because it is concerned with the spiritual well-being of its majority population. The Church, fundamentally, is international. The religious opportunities of its members, not their national complexions, are what count.

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In estimating the role the Church *can* play in the determination of the future status of the Saar one must take into consideration several facts. First, the inhabitants of the territory are about 73 per cent Roman Catholic, devoutly and disciplined Roman Catholic. Second, some two fifths or more of the estimated 500,000 voters who will participate in the plebiscite will be women. And women, it was convincingly demonstrated in the recent Spanish elections, can be counted upon to march solidly behind the leadership of the priesthood when a religious principle is involved. The easy-going, tolerant and procrastinating Spanish Socialists learned that lesson when they saw their parliamentary majority snowed under in an avalanche of feminine votes after the clergy had entered the political arena. What happened in Iberia is a matter of record. Tammany may register the names on every graveyard tombstone, up-state Republicans may even "vote the leaves on the trees" but down in Spain Gil Robles and his Clericals went one better. They voted every priest and every nun, from every monastery and every convent in the land so far as possible.

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A Socialist watcher, noticing what he thought was the same woman appearing repeatedly at the voting booth, finally challenged her.

"Haven't I seen you here before?" he asked politely.

"No, Senor," she replied, "I have been here but once although the coat and hat have been here several times." Nuns from a cloister nearby, not wishing to be conspicuous by voting in their sombre robes, had come to the booth in turn in the same borrowed costume.

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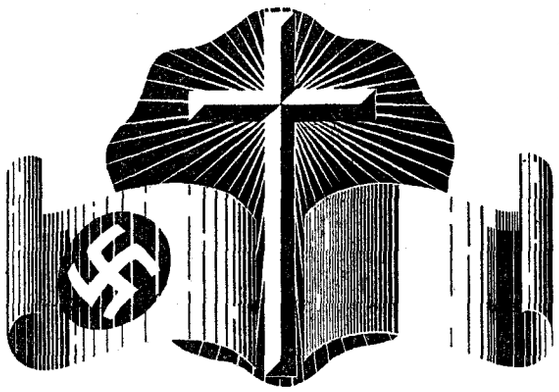
Similar things might easily happen in the Saar, which is more docilely Catholic than modern Spain ever dreamed of being.

That the Catholic Church of Germany, even much more than its Protestant counterpart, is violently anti-Nazi goes without saying. The assassinations of Erich Klausener, political chief of Catholic Action, and of Adelbert Probst, head of the Catholic Youth movement, the outlawry of the Centre Party of ex-Chancellor Bruning, the persistent persecution of Cardinal Faulhaber and other religious leaders in Bavaria, the Rhineland, the Saar and the Palatinate, have kindled a resentment which will smoulder for years even though Hitler's protestations and von Papen's amends may seem to indicate a change in Nazi hearts. The scars of Wotan-worship, intolerance, sterilization, anti-Semitism and personal oppressions have cut too deeply into the religious soul of Christian Germany—and the Saargebiet—to be healed in a day, or a year, or a decade. So long as the heathen Swastika flies as the emblem of the Third Reich the Church's fight against National Socialism will continue, whether above-board or under-cover.



In the Saar Territory one sees today, out in the open, what one has to peer behind the curtain to observe inside of Germany.

For example: Dr. Klausener was murdered by Goering's Gangsters in Berlin. His corpse was cremated. The official word went the rounds that he had "committed suicide out of remorse." The Vatican denounced the former act and denied the latter charge. A Catholic of Klausener's type never commits suicide . . . the Church never authorizes cremation.

Five days after the mass murders the *Berliner Tageblatt,* the capital's largest newspaper, printed exactly twenty-five lines about the internal political situation and General Goering's and Herr Hitler's week-end activities. Celebrating mass for the souls of Klausener and Probst, or other dead men, was *verboten* in Germany. Even the Bishops of Triers and Speyer, under whose jurisdiction the Saar falls, dared not propose or authorize commemoration of the martyrs.

In the Saar events moved differently. The priesthood acted independently. Among a gathering of some 600 priests only eighteen admitted having Nazi sympathies. From one end of the region to the other church bells tolled. Historic Saint Michael's cathedral in Saarbrucken, the largest in the land, overflowed when high requiem mass was said for Erich Klausener. At Saarlouis 3,000 Young Catholics attended services for Probst. Village chapels were jammed with Hans and Gretchens, sad-eyed and mourning. Even the Deutsches Fronters, their pseudo-Nazi banners furled to conceal the Swastika and draped with black crepe, were conspicuous by their presence, indicating that while on parade they sported the insignia of Hitler on their sleeves, beneath their Brownshirts there beat a heart upon which was carved the Christian Cross of Calvary.

While, as stated before, some seven tenths of the Saar is Roman Catholic, more than 80 per cent of its voters are listed as workers and peasants, in other words they are proletarian. And the German proletariat no longer has faith in Hitler. Out of thirty representatives chosen for the recently dissolved Landesrat, or parliament, sixteen belonged to the Centre (Catholic) Party. Eight were elected as Communists, three as Social Democrats, two as Nazis and the others were allied with small bourgeois groups. That line-up may or may not be taken as an indicator in the impending plebiscite. Conditions have changed since the Saar Centrists, following the example of their Berlin confreres, underwent involuntary dissolution a year ago. Nazi excesses reached flood-tide subsequently.

The Social Democrats of the Saar, however, are still a force to be reckoned with. The Communists, many of whom turned National-Socialist in order to eat, are reverting to type.

"Lieber Fuehrer, give us bread, lest tomorrow we turn Red!" is being heard again, not only in Germany, but along the pit heads of the Saargebiet as well. The trade unionists, despite the fact that they lost most of their funds, which were on deposit in Germany, when the Berlin government disbanded all workers' organizations, are busily rehabilitating themselves. Their Left-wingers no longer pay any attention to the Nazi warnings that: *"Heute rot! Ist morgen tot!"*

These three groups then—together with the formidable Catholic Opposition headed by Hoffmann and Eberhard, who refused to follow the old Centrist Party into political oblivion, or the Deutsches Front, have united in a Common Front, the *Deutsches Freiheitsfront,* against Hitlerism.

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If dynamic leadership counts for anything the Nazis of the Saar will have foes worthy of their mettle in the coming fight. In Eberhard they have a man schooled in the rough and ready politics of the Cour d'Alene mining district of Idaho a generation back. Shades of Moyer, Bill Haywood and Pettibone! Eberhard is a returned German emigre, and with Hoffmann and others of the *Neue Saar Post* group, is prepared, if necessary, to lead the Catholic Workers against the dictates of the Vatican, the Cardinal, bishops and entire priesthood to keep the Saar-land free. With Max Braun, equally hard-hitting and colorful ex-leader (along with Rudolf Breitschied) of the Reichstag Social-Democrats, and now a voluntary exile from the

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Rhineland in the Saar, the Eberhard-Hoffmann crowd is ready to join forces with the Communists, the French industrialists, or even the Devil himself to keep the National-Socialist tide from sweeping up to the Lorraine frontier. The Freiheitsfront is their common chariot. "Das Saar bleibt Deutsch, aber Frei!" is their slogan. For them the end justifies the means. To paraphrase an old Japanese proverb, they will "use any stick to strike a dog," so long as that dog is Nazi.

While it is fairly easy to predict what the Catholic voters of the Saar would do if left to their own devices, to visualize what is going on in the mind of Rome is more difficult. Faced with delicate and complicated problems which persist in cropping up despite her best efforts to steer clear of the vortex of Europe's seething political whirlpools, the Church is forced, whether she wishes it or not, to play an astute diplomatic game. She saw Republican Spain destroy, almost overnight, a centuries-old religious edifice; Communism in Russia and China menaces her missionary outposts in the Far East; even in Italy itself Dictator Mussolini, one-time bitter enemy of the Holy See, has to be handled gingerly if the rights of the Church and State are to be respected. To safeguard her spiritual —and few remaining temporal—powers, the Church has to be literally "on the alert" night and day. Such a presumably-loyal son as Vice-Chancellor Fritz von Papen has revealed to the Vatican that it is easy for a diplomat to serve two masters, or even three.

Through her hold on the Saar's population the Church has a powerful weapon in her hands—a trading point which can be effectively used against the Nazis in wringing valuable concessions in a new Concordat. Naturally the interests of the several million Catholics in Germany are of greater importance to Rome than the well-being of the half-million in the Saar. If the Vatican can say to Hitler:

"Give us an acceptable concordat which guarantees the rights of all the Church's subjects in the Fatherland, or we will pass the word along in the Saar to vote against you," the Nazi Government will think twice before refusing the offer.

That, according to people who are supposed to know, is exactly what Rome can be expected to do, namely, use its political influence in the Saar for concessions affecting all of Catholic Germany.

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Second only in importance to the religious element, in influencing the people of the Saar in their forthcoming decision, will be stern economic necessity. For sixty-three years now the industrial face of the Saargebiet has been turned towards the setting sun—to the west and what is now France—rather than towards Germany. Since 1871 Saar coal has been wedded to the iron of Alsace and Lorraine. Since 1919 the French-owned, but locally operated and manned, mines of the Valley have poured 175,000,000 tons of coal into the steel and iron mills of Briey, Pont à Mousson and Nancy. Saar furnaces, on the other hand, have been, and will be, totally dependent upon Lorraine's ores. If these were held back it would mean a death warrant for the Saar through industrial strangulation.

When the World War ended, the statesmen at Versailles were handed a surprise package by Georges Clemenceau. Prompted by Big Business, the Tiger demanded that the Saar be ceded to France, although its acquisition had not before appeared in the list of Allied aspirations. Sensing a potential menace to British coal export markets, Lloyd George countered shrewdly. He left it to Woodrow Wilson, activated by purely idealistic motives and influenced by the fact that the Saar was and had always been predominantly German, to oppose. Diplomacy won, however, partially. As compensation for the coal pits of Northern France, destroyed by the Kaiser's armies, the Saar mines were turned over to France. The Saar itself was placed under an international governing body for fifteen years, whereafter the people, in a "free, secret and trustworthy plebiscite" were to be permitted to determine their own fate. If the people decided to re-unite with Germany then Berlin was obligated to purchase back the mines from France, paying in gold a price fixed by arbitrators as equitable.

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In private negotiations with Aristide Briand, at Thoiry, San Remo and later at The Hague, the then foreign minister Gustav Stresemann, seeking the return of the Saar without benefit of a plebiscite, suggested 300,000,000 gold francs as a fair figure. The French today will not take less. Where Hitler will raise that sum, or how he would explain its possession to foreign creditors if the Nazis were to dig that deep into a hidden national sock, is one of many interesting hypothetical questions which may have to be answered in the near future—if the Saar should go German.

There is another troublesome bugaboo, too, on the Saarois horizon. Should the territory become German, France naturally would denounce the present customs union under which the region is accorded the same trade privileges as other integral parts of France. Tariff barriers and trade restrictions which apply to Germany would naturally apply to her restored province. Furthermore the Saar's monetary unit would again become the mark, instead of, as for the last fifteen years, remaining the French franc. From the most solid currency in the world (France's gold reserves are second only to those of the United States) the Saar would shift overnight to the vacillating reichsmark, which tomorrow might only be worth a farthing for a fist full.

But—should the Saar choose to maintain the *status quo*, or through some scheme yet to be devised, elect to become an autonomous or independent principality such as the Grand Duchy of Luxembourg, with its political sovereignty and territorial integrity guaranteed by the League or a Concert of European Powers until such a time as it could stand on its own feet, then (say it softly because it is still a diplomatic secret) there is good reason to believe that the French Government would make a free gift of the Saar mines to the new-born state.

Such a move is not fantastic—or foolish. It would be the soundest kind of diplomatic horse sense. No $75,000,000 investment that France could make would yield such big returns in security or from the standpoint of national defense.

The bait is tempting, to the Man in the Street of Saarbrucken as well as the vested interests. Exploited by the State, with the French market intact (today 50 per cent of the Saar's coal output enters France duty free), the mines could easily be made to finance fully the machinery of government of a Saar Republic—a tax-free paradise like Monte Carlo, where revenue from the world-famous Casino pays the bills.

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Coupled with this inducement is another, and rather Utopian, dream which intrigues the Saarlanders. Back in the days of the Franco-Prussian and previous wars the Saar was a perpetual battleground. Because Germany's pre-war boundaries extended to the other side of Lorraine and because the front-line trenches sagged back and forth across Flanders and the fields of Northern France, the Saar regions were spared a similar fate in the World War. Today, however, France's formidable chain of forts, on which she counts to repel any future Teutonic aggression, or which she might use as a "jumping off" place in an invasion of her Eastern neighbor, come smack-dab up against the Saar's back yard. The European war zone of tomorrow—if there be another Franco-German clash—will inevitably center in the Saar.

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This the peace-seeking Saarlanders know. And this fate, above all things, they wish, deep down in their hearts, to avoid.

To become a "Bridge of Friendship" between their traditional German fatherland and their present-day economically indispensable God-mother, France, is something devoutly to be wished. Autonomous, unfortified—and if possible linked up by incorporation of a few square miles which separates them, with the neutral state of Luxembourg, the Saar might conceivably become a new buffer state which would hold apart mutually suspicious and distrustful populations until the dawn of a brighter day heralds in something more akin to Universal Peace than we have yet seen.

According to Hoyle the League's Council will be charged, following the plebiscite, with determining the future status of the Saar. Taking into consideration, of course, "the wishes of the inhabitants." That does not necessarily mean, however, that the decision has to conform with the views of the majority or minority in the territory. There are bigger stakes involved . . . the peace of Europe and the perpetuation of democratic principles now menaced by waves of Fascism, Nazi-ism and reaction which beat against France and Great Britain's frontiers.

Stanley Baldwin recently declared that England's defensive frontiers no longer mean the Channel; they touch the Rhine. That, in effect, implies the Saar.

One mistake which the imperious Hitlerites appear to be making in the Saar, and which may prove to be expensive, is their treatment of the populace as if it were already under Berlin's rule. This foretaste of what may be in store for them may cause some to hesitate when they finally cast their votes on January 13, next. Since 1920, the Saarlanders have enjoyed an enviable lot. When political and economic chaos swept Germany, and hunger and despair stalked through the land, they were unscathed. When living standards went down in the Fatherland their status improved. A benevolent international dictatorship, paternally inclined, assured them of sufficiency, if not plenty.

Then came the world depression. Wages slumped in the Rhineland and Ruhr and other coal fields. Unemployment grew. Production dropped. In the Saar, however, earnings were maintained to within 93 per cent of normal, and shrinkage in production failed by 7 per cent to approximate the condition in other regions. Last June, 46,000 Saar miners were still digging coal; 23,000 men were still working in the Saar's steel mills. Those unfortunate enough to be idle were being well taken care of by social insurance funds. These facts the Nazis seem to have overlooked when they picture the Saarlanders as poor, hungry and oppressed under a foreign heel. The dwellers in the territory, on the other hand, while proud of their Germanism, are jealous of their privileged position.

In contrast to the excesses of the Brownshirts who have brow-beaten, intimidated and victimized those whose faith was weak, the attitude of the French, thus far, has been most correct. In fact France has leaned over backwards in her efforts to win the affections and respect of the population, although the *Quai d'Orsay* has had no definite Saar Policy. Only a few, and these unimportant, complaints from the Saar ever reached Geneva during the Bruning-Briand-Stresemann regime. Since Hitler's advent the Saar has been a cockpit—a powder keg in the center of Europe.

The policy of the Nazis has recently culminated in a series of repressive decrees, formulated by the Governing Board. Suspension of newspapers has been necessary to halt scurrilous attacks; flying of political and foreign flags on public buildings has been banned; political mass meetings in the open have been prohibited. The Deutsches Front was quick to capitalize upon the unpopular moves of the Commission, even though they were designed solely to safeguard the rights of the people. They have dubbed the League's administration as "Negerregierung" or "Nigger Government" with a Kolonialsystem—colonial system of rule.

When the open air political gatherings were stopped—to prevent clashes between the Communists and Brownshirts—the Nazis promptly rented every available hall in the territory for six months—or until the plebiscite has been held. They thought to prevent legal assemblage of the Opposition.

From across the Saar's frontiers—from Frankfurt, Cologne, Manheim—Nazi radio stations nightly saturate the air with denunciations of the League, its Commission, France and even the Plebiscite Committee. Miss Wambaugh, Boston-born and bred American, of solid Aryan ancestry, is pictured as a scheming Jewess because her Christian name is "Sarah."

The Bishops of Speyer and Triers, domiciled in Prussia and the Palatinate, have been "obliged" to caution the Saar priesthood against participation in politics. But they evidently issued instructions with their fingers crossed because Saar sermons continue to emphasize the rights as well as duties of free peoples and the evils of Wotan-worship. The Territory is still Hitler's Achilles heel so far as the Vatican is concerned.

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For all this the Deutsches Front is largely to blame. It claims to have inscribed upon its rolls 455,000 of the voters of the territory, and since it is hard for a worker to refuse to sign on the dotted line when his job is the price, or for a peasant to be neutral when Storm Troopers, careless with matches, are hanging around at haying time, the claim perhaps is valid. But promises obtained under pressure seldom have any value when the pressure is removed. Thousands may have enrolled in the Nazi legions . . . but will they vote the Hitler ticket next January? Remember, more than 12 per cent of the voters in Germany proper dared to snub Der Fuehrer just the other day, in elections where it was actually dangerous to scratch a ballot.

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Men Behind Your Movie Diet

In this NEW OUTLOOK group-personalgraph, Mr. Berchtold presents intimate close-ups of that little known Hollywood hierarchy, the people who pick the stories for the screen.

by William E. Berchtold

AMERICAN movie-goers clink their dimes, quarters and half-dollars on the marble slabs of the nation's 13,500 cinemas each year to the tune of one and a quarter billion dollars. For that sizable mountain of gold and silver, an industry into which an investment of two billion dollars has been poured labors to meet the tyrannical, yet often incoherent, demands of an audience embracing a considerable portion of the entire population of the country. That audience has defied every scientific attempt to analyze and tabulate its likes and dislikes, its moods and its trends, yet it roars its applause and howls its disapproval with such vigor that he who tries to cater to its insatiable appetite for films soon gets his answer in neat rows of red or black figures on a balance sheet. The box-office cash registers are the only seismographs of public taste in motion pictures, and when they start ringing their appraisal of a production it is only interesting as an historical record. To attempt to plot future trends by developing a sure-fire formula on the basis of that record is only to court financial disaster, for that very formula soon smothers the value of a picture which caters to a public which demands, often incoherently, constant change. The vaudeville stage fell into desuetude, chiefly, because its inherent limitations doomed it to failure in attempting to meet this insistent demand for change, constant change.

During the first blush of the silent films' success, not a few fur peddlers, nickelodian proprietors, second-hand jewelers, hardware dealers, suddenly found themselves growing fabulously rich as motion picture producers. Their meteoric rise to fortune gave credence to their own estimates of themselves as "master minds," able to judge the public taste in entertainment and to satisfy it through some intuitive power. They read and selected their own stories, rewrote scripts, discovered new actors, told the director what and how to shoot and awakened in the night with inspired title suggestions; they became highly sensitive creatures who refused to delegate authority and bolstered up their own self-appraisals with nodding choruses of Yes Men around them; they talked and dressed and acted as they thought geniuses should talk, dress and act; they were "master minds." The motion picture industry is not yet without its traces of "master minding," but the dialogue era and an increasingly critical audience has taken its toll among these mental giants. They found themselves in the cold dawn of the dialogue era as puny, helpless actors on their own make-believe stages. They learned that their initial success was made of the same stuff in which the lumber barons of an earlier day revelled as money rolled to the rhythm of virgin forests falling beneath the axe. The "master mind" complex is not difficult to develop in a pioneer industry!

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The trend today in the motion picture industry is toward greater decentralization of responsibility. The studio head who becomes drunk with his own success and insists upon taking the responsibility for forty to sixty productions a year is headed toward physical collapse and the oblivion of the bankrupt. As a result: producers, associate producers, supervisors, scenario editors, story editors, directors and writers are coming into their own as recognized and responsible contributors to the success of each production. Production executives (variously called producers, associate producers and supervisors) are being assigned as directly responsible for from two to twelve pictures in the major studio's annual output of forty to sixty productions. Writers, directors and actors are assigned to them for each production, and they have the assistance of highly organized systems for the scouting, judging and selection of stories for their production. There is still no law against "master minding" on their part, but much of it is fictitious pap turned out by overzealous publicity departments in praise of the bosses. The really able producer keeps his eye firmly fixed on a visualization of the completed production, spends his time coördinating the intricate detail work of capable assistants assigned to specific parts of the whole task. The only truly satisfying post in the hierarchy of the cinema world is that of producer, both from the standpoint of prestige and financial success. Therefore, every ambitious actor, director, writer, scenario editor, story editor, or minor studio executive looks to the day when he will produce his own pictures. Some actors (Harold Lloyd, Douglas Fairbanks, Mary Pickford, Charles Chaplin) have already assumed this rôle for their own productions; some writers (Charles MacArthur, Ben Hecht) have gone into production of their own manuscripts. Except for stars and some directors, who are both well paid and highly publicized, the others who contribute to the success of a production are forgotten, but well paid, men. The producer takes the monetary rewards; the stars take the bows on successes; the "forgotten men" take it on the chin for the failures.

Of the $1,250,000,000 pushed through the cinema box-office wickets in the course of a year, $310,000,000 finds

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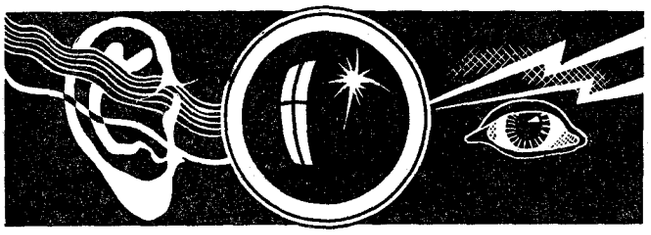
its way back to the producers of motion pictures. This is the producers' gross return for the turning out of approximately 300 feature pictures, along with a quota of short subjects, travel and educational shorts, newsreels and cartoons to round out the entertainment program for an average of 75,000,000 ticket purchasers who approach the box-office each week. Thirty per cent of these movie-goers have found the cinema so habit-forming that they go every week, almost regardless of what entertainment is offered; while the other seventy per cent are "casual" attendants who go only when they are attracted by a big success, certain stars, or unusual ballyhoo. The word-of-mouth recommendations of the "habituals" is an extraordinarily important factor in influencing the "casuals." Although it may seem incredible: 75 per cent of the cinema's audience is under 25 years of age—not mentally, but actually. The producers consciously play to children. The motion picture is an art and a science and a business, but principally it is a business. The producers are not in business to improve the quality of the public mind; those who go "arty" and attempt to improve public taste soon find themselves hopelessly enmeshed in the unrelenting economics of the box-office.



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For the thirty cents which the average movie-goer deposits at the box-office as he enters the cinema, he buys an opportunity to escape temporarily from his somewhat sordid, humdrum life to share vicariously the emotional experiences of others who lead lives less drab. The feature picture or pictures (7,500 of the 13,500 U.S. talkie theatres now offer double billings; 150 offer triple billings) which represents the *pièce de résistance* on the entertainment bill may have cost from $100,000 to $2,000,000 to produce. The most expensive picture of this depression year will cost less than $1,000,000, but *"Ben-Hur," "City Lights," "Ten Commandments," "All Quiet on the Western Front," "King of Jazz," "Trader Horn," "King of Kings," "Cimarron"* and others exceeded the million mark in more prosperous years. Many M-G-M, Paramount and Twentieth Century pictures cost more than $500,000 this year, although about 100 of the 300 major features from all studios cost less than $200,000. These figures are for "negative costs," so that a $375,000 production (which is not uncommon) becomes a $900,000 production when distribution, advertising and exploitation costs are added. A *typical* $375,000 production which is *successful* will return a profit of $100,000—this is *not* an average. In "normal" years (an almost forgotten phenomenon among producing companies) the $310,000,000 which the producers receive as their share of the box-office take will insure a profit of $30,000,000 to them *as producers*. As owners of theatres and vast real estate holdings in the most costly locations of major cities, they lose millions. Only M-G-M (which did not inflate wildly during the theatre-building mania) and Columbia (which owns no theatres) have consistently shown profits during the Depression. All of the studios are watching their costs more closely these days, but the one which is undoubtedly spending the most money for its actors, directors, writers and properties is the one which is making the biggest profits. The essence of the motion picture business is not economy or banking, but showmanship. The judicious addition of $100,000 or even $500,000 to the cost of a single production may make the difference between a loss and a $1,000,000 profit. Hollywood is a most unhappy place for both the banker and the statistically minded economist.

It is difficult to put a finger on the person most important to the success of a production. When 300 newspaper movie critics were asked to point their finger at the most important element in the success of motion pictures, 45 per cent pointed to the director, 30 per cent to the writer and 25 per cent to the actors. But if the producers don't miss their guess, the movie-goer himself would score actor-star above directors, writers, cameramen, or anyone else. The stars are considered more important even than the stories in which they appear, although there is a decided trend away from mere whiffle as a story setting in which to display a matinée idol. The screen life of a star is often shortened through the selection of poor stories. No less an authority on the screen than the late Marie Dressler once said (at the premiere of *"Min and Bill"*): "You can be a great actor, a great producer, a great director, but you can't be either unless you start with a great story." The men who select the stories, therefore, are major—although little recognized—factors in determining the course of the year's production.

They scour the world for potential picture material and sit in judgment on the literary output of novelists, playwrights and magazine writers; they pore over countless volumes each year. They must keep in mind the illusive but tyrannous demands of the millions who line up before the theatre box-offices each week. Perhaps some anthropologist (after the business of measuring the brains of Senators and Congressmen is concluded) will turn his attention to these heads in Hollywood who judge stories for motion pictures. It is a good guess that the success of the most outstanding men in this group might be traced to a brain which so closely approximates the general average of the other 60,000,000 cinema fans in America that it is peculiarly able to judge box-office values. Such a brain is able to transform a written page into a fast moving series of pictures, and to view those pictures with an uncanny eye to their entertainment value. Their names may not appear in the list of "credits" flashed as an introduction to each picture which you see, but these are the men who select stories and build scenarios for the motion pictures. They are the Men Behind Your Movie Diet:

SAMUEL MARX (*Metro-Goldwyn-Mayer*). Hollywood wove Marx's career into legend when at 28 he became head of M-G-M's story and scenario department. M-G-M's production ace, Irving Thalberg, had catapulted this broad shouldered, square-jawed Jewish youth into the task of hiring and firing Hollywood's largest and highest paid staff of writers and the responsibility for ensnaring the best of the world's plays, novels and short stories as vehicles for M-G-M's fabulously paid staff of stars. Hollywood, as assembled at the Brown

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Derby, shook its collective head and agreed that Thalberg was mad, certain in the belief that Marx would be out as soon as Thalberg had recovered his senses. The facts of Marx's previous experience and background were not difficult to learn: he had no more than a common school education in Manhattan's public schools and a short course in journalism at Columbia University; got his first job, through a newspaper advertisement, in Universal Pictures' Manhattan office; and later pounded New York's streets in getting out a little theatre guide called *New York Amusements*. Marx was pounding Manhattan's 54th Street one winter day in 1929 when he met a small, fragile young man whom he had known well as Carl Laemmle's secretary when both worked at Universal. The erstwhile Laemmle secretary was now M-G-M's great Thalberg, but he was glad to see his old friend, chatted with him, suggested that he come out to Hollywood. "Come out and I'll give you a job as a writer," Thalberg promised. The next May saw Marx, his wife and their worldly belongings bundled into the Marx motor car headed for California. Hollywood achieved, Marx confidently announced his presence with a card sent into the office of Mr. Thalberg, who appeared presently with a greeting smile: "Well, hello, Sam. I'm glad to see you. What in the world are you doing in California?" Marx swallowed hard, pulled himself together sufficiently to mumble something about a street conversation in New York, and secretly wished that the floor might open and save him his embarrassment. Thalberg seemed to be searching his mind for some recollection of the New York incident, asked his old friend to sit down, told him vaguely about a post which was open because Robert Harris had just resigned (Thalberg had fired him) that morning. "Sam," Thalberg said suddenly, "I'm going to give you a chance at Harris's job. You start tomorrow morning." Marx told his wife and friends that night that he felt something important had happened to him, but he didn't know just what. The friends supplied the information that he was to be the Scenario Editor, which at M-G-M combines the selection of stories for the year's output of fifty pictures and the hiring and firing of the writers who prepare scenarios. Marx at 32 still occupies that post, ensconced in his neatly arranged office on M-G-M's fifty-three-acre studio lot at Culver City; and his four and one-half years as Scenario Editor is a record term for men who have held that post at M-G-M.

What Marx did bring into his job at M-G-M was an omnivorous appetite for reading, an essential taste for one who must read, synopses at least, of 20,000 plays, novels, short stories, magazine articles and other sources of picture material each year. Marx contends that there is no shortage of stories for the screen, but a definite shortage of responsible executives who can afford the time to read them. Executives drawing $400 a day (Thalberg's salary and bonus has topped $500,000 in a good year) can't sit down and read *"Anthony Adverse."* But Marx does read synopses of just about everything published, synopses prepared by a corps of readers in New York (who cover 11,000 subjects annually) and in Hollywood, and reports from scouts in all parts of the world. The weekly crop of about 400 subjects contains perhaps a dozen to a score of possibilities which deserve serious consideration, and they are read in full. If a good, sophisticated comedy drama is discovered, Marx may tuck it into Thalberg's huge, made-to-order, pigskin portmanteau, and the producer will read it that night in the specially designed soundproof room of his Santa Monica home, out of earshot of the growling Pacific. If the day's discovery is a glittering youth story that might star Joan Crawford, Hunt Stromberg (who scored as a box-office producer par excellence with the Crawford trilogy, *"Modern Maidens," "Blushing Brides"* and *"Dancing Daughters"*) will get it to read. If it's an adventure thriller, Producer Bernard Hyman (*"Tarzan," "Trader Horn"*) will most logically read it. Each M-G-M producer has developed a highly specialized taste, and Marx knows their tastes, knows the specialized abilities of M-G-M's star-studded list of actors, and knows the peculiar capabilities of M-G-M's directors. He has producer, actor and director in mind when he scans each story possibility, for all three must share his enthusiasm for a story if it is to be a really great success. To Marx, the selection of film stories is a matter of personal opinion; a tailor or a plumber might look at a story and tell whether it will make a picture; those who can keep up a high batting average at the box-office remain on the Hollywood payrolls, the others go back to plumbing.

Each week seven or eight stories out of an average weekly 400 are brought to a meeting attended by M-G-M President Louis Mayer, General Manager Eddie Mannix and ten producers: Thalberg, Stromberg, Hyman, David Selznick, Harry Rapf, John Considine, Larry Weingarten (Thalberg's brother-in-law), Mona Bell, Ned Marin and Lucien Hubbard. If Selznick becomes enraptured with a corking melodrama, or if Rapf sees possibilities in a sob story that will top *"Min and Bill,"* two stories may be definitely decided upon then and there. Such a decision will mean the spending of at least $1,000,000, for M-G-M's pictures average about $500,000 each. If the week is unusually productive of good material, perhaps three or four stories will be chosen in a single session, but more often only one or two selections are finally made, sometimes none. The price to be paid for a story, whether it is a play, novel, short story, or merely an idea on a single sheet of paper, may vary from three to five figures, a matter for Marx or M-G-M representatives in New York or abroad to negotiate, with Mr. Mayer's approval. If it is a matter of out-bidding another studio, M-G-M is likely to have the last word; for M-G-M executives talk in millions with a glibness excelled only by Washington's spendthrift New Dealers. Not all stories bought for pictures ever reach the screen, not by a long shot; M-G-M's unproduced story files represent an investment of perhaps $1,000,000.

Ideas are Hollywood's most valuable commodities, and ideas for motion picture stories are not all prompted by the annual flood of published plays, novels, short stories and printed material. About half of M-G-M's yearly production of fifty pictures is adapted from published stories that are sought out and bought, and the other half is developed from ideas, originating with producers, writers, directors, actors, cameramen, which are cultured into scenario scripts by M-G-M's staff of writers. Marx has more literati under him than it took to write the King James version of the Bible, a staff of 60 with a weekly payroll of approximately $65,000, including: Vicki Baum, Hugh Walpole, Robert Benchley, Morris Ryskind and the most successful of all writers working directly for the screen: Frances Marion. Now working on *"Riff Raff"* as a starring vehicle for Gloria Swanson, she turned out such successes as *"The Champ,"*

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"Min and Bill," "Secret Six"; her salary $2.000 weekly. When Thalberg's "star power" mania concocted the idea of putting all three Barrymores into a single picture, M-G-M writers were put to work on a script to fit them. The result was *"Rasputin,"* not to mention an unforeseen legal tangle which cost M-G-M $750,000. Writers are constantly making suggestions: when Philip Barry came out to visit Donald Ogden Stewart, Marx met him and invited him to write for pictures. Barry remembered a book which he had read when he was quite young, a book written twenty years ago but overlooked by picture scouts. Marx called for the book, *"Nancy Stair,"* read it with enthusiasm, then turned it over to Thalberg, who was thrilled with it. Result: Barry was put to work adapting a story for a picture starring Norma Shearer, Thalberg's wife. Alexander Woollcott unwittingly set the M-G-M wheels to rolling toward production of Dashiell Hammett's *"The Thin Man,"* when he referred to it during a radio broadcast as "the best mystery story I have ever read." Marx heard the broadcast, called for the book, shared Woollcott's enthusiasm, and M-G-M soon had acquired picture rights to *"The Thin Man,"* one of the year's big successes.

Because some M-G-M producers have preserved a reputation for "discovering" all their own stories, friendly literary agents rush to them with bated breath bearing "originals" which they consider nothing short of masterpieces, and insisting that only great men can appreciate great stories. The professional readers' synopses can never provide a full appreciation of these enthusiastically peddled scenarios, and the great man "simply must take time out to read this colossal picture story." The "great man" may be flattered into reading such stories occasionally, but 99 times out of 100—after the agent leaves—the material goes to the much maligned professional reader and finally to Marx. The producers' experiences in dealing directly with agents, instead of through the organization set up to judge story values, have dictated a pronounced decline in this once dominant practice.

Like every other studio, M-G-M gets hundreds, sometimes thousands, of letters daily from cinema fans suggesting that a certain idea, novel, play, or story would make a great picture. M-G-M was deluged with letters suggesting that Marie Dressler should be starred in *"Tug Boat Annie"* a story then appearing in the *Saturday Evening Post.* What M-G-M's fans did not know was that the *Post* story had been read in galley proof before it was published, that the *Post* artist had used photographs of Miss Dressler as a model for Annie (which spurred the fans' suggestive powers), and that M-G-M for a long time was planning to do just what the fans suggested. Every fan letter is checked, although there is seldom an idea in a ton of them. Would-be authors who send their unsolicited manuscripts to any of the studios have them returned to them, unopened. Scenario Chief Marx, with a soft spot in his heart for the underdog, hates this trampling of the budding young authors under foot, but there is no other course in a world filled with people ready to sue the studios for "stealing my stuff." To open the manuscripts would necessitate the maintenance of a staff of fifty lawyers to handle suits against the studio by amateur authors who might believe their ideas had been used in later productions reaching the screen.

MRS. KATE CORBALEY (*Metro - Goldwyn - Mayer*). This plump, ruddy lady deserves a niche all of her own among those who judge stories for motion pictures. Her mind is so delicately attuned to pictures that she can read a novel, strip it of all material of no film value, and then retell it so simply, so beautifully that a producer visualizes the story as though he were seeing the final production on a screen. What is more: she has been able to predict with uncanny accuracy that a certain story, cast with certain actors, under the supervision of a certain director, will make M-G-M $100,000, $250,000, or more; and to pick other stories as deficit breeders, if executives insist upon them. She has the inauspicious title of head of the M-G-M reading department, directs the corps of readers who prepare synopses of novels, plays and other potential material. For eight years she has been an unheralded power in the selection of M-G-M stories, and during those eight years she has worked under four scenario editors, the latest of whom is Mr. Marx. Marx is generous in his praise of Mrs. Corbaley, respects her judgment, stands in awe of her genius. A Stanford Phi Beta Kappa with a fine literary background, she has what Hollywood calls a "story mind," and hers is the No. 1 mind.

When M-G-M producers and executives gather each week to discuss story possibilities, it is Mrs. Corbaley who tells the stories selected from the week's crop of material. Her verbal story telling is a unique M-G-M practice, followed in no other studio. She tells a story with such enthusiasm and power that producers sometimes are carried off their feet and direct that a story be bought immediately, only to find when the story is started into production that the author's work falls far short of the story Mrs. Corbaley told. Mr. Ince once gave the only answer to such a situation when a director came to him, perturbed because a story he had been given had none of the power of the story Mrs. Corbaley had told. "Go ahead and produce the story Corbaley told!" It was a success.

The story of *"Grand Hotel's"* success is a twice-told tale, but the story behind its discovery and selection has never been told. As is the way with producers sometimes, Herman Shumlin, who produced the New York play, got the credit for everything except having written the play. The real credit should have gone to Mrs. Corbaley, who breathed life into a work which was destined to die aborning in a little German village. Poring over the day's bulk of reviews of new plays opened in Budapest, in Berlin, in Tokio and many an obscure foreign village, Mrs. Corbaley came across a small item unenthusiastically reporting a tryout of a new play, *"Humanity in a Hotel"* by an unknown, Vicki Baum. The reviewer predicted its failure, gave a pitifully inadequate account of the story, but included one sentence which was enough to fire Mrs. Corbaley's "story mind": "the action all takes place in a hotel and is confined to thirty-six hours." A great idea for a picture!

New York was wired for a copy of the play. Paul Fejos, an M-G-M director and a German, was given the original copy when it arrived; he came back with an enthusiastic report. When the English synopsis was ready, Producers Thalberg and Rapf added their applause. J. Robert Reuben, who negotiates M-G-M purchases in New York, was wired to buy the Vicki Baum play. Then M-G-M hopes hit a snag: the German production had closed as the reviewer predicted, a failure; but the American rights had already been bought by a Harry Moses, New York underwear merchant. Moses was interviewed: he had seen the play

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with his wife while touring Germany a few nights before it closed, liked it, paid $5,000 for the American rights, and planned to produce it on Broadway with his wife, who had stage ambitions, as the star. Moses had obtained estimates for producing the play, found it would cost $27,000, and was not anxious to sink that much even toward starting his wife on her stage career. M-G-M proposed that they put up half of the money toward a Broadway production, take none of the legitimate production's profits, but get their investment back from the first $13,500 in receipts at the box office and *obtain all of the motion picture rights.* Moses was to give up the idea of producing the play himself, and hire a recognized producer. The night the agreement was made, Mr. and Mrs. Moses went to see *"The Last Mile,"* liked it, and stopped at the box-office with a request to see the producer, Herman Shumlin. Through such a coincidence, a producer admirably fitted to produce *"Grand Hotel"* was selected, and its success both on the stage and screen is history. Moses reaped the profits from the stage play; M-G-M acquired a property valued at $100,000 without spending a cent; and Vicki Baum, the unknown, acquired a world reputation overnight, although she got nothing from the American production of her *"Grand Hotel."* Today she is on a year's contract with M-G-M, working at present with Gottfried Reinhardt, the impresario's son, on a new screen play, *"Johann Strauss."*

JEFF LAZARUS (*Paramount*). A shirt-sleeve worker, Lazarus is at his best in the rôle of super-salesman for a story which he thinks will make a successful Paramount picture. His table-pounding enthusiasm has put many a story into the Paramount production schedule of fifty features annually, some of them successes, not a few flops. With a fetish for organization charts and neatly drawn plans of action, Lazarus has generaled Paramount's world-wide organization for the scouting and selection of picture material since Emanuel Cohen came to Hollywood as head of the Paramount studio. No studio has a larger (100 scouts, readers and field men) or more highly centralized story organization than Paramount, and Lazarus is head of its story board. His ubiquitous scouts report stories in the making almost as soon as they take form in the minds of their authors. They know who is working on what (plays, novels, short stories, everything of promise from recognized authors) and obtain drafts of manuscripts or proofs before they reach publication form. Through close tie-ups with the publishers of books and the editors of major magazines, Paramount readers synopsize everything of any importance, send their reports on to Hollywood. Through friendships with Broadway producers, new plays are covered before they reach the boards; then Paramount reviewers add their first night appraisals to those appearing in the press, and rush them on to Hollywood. This weekly avalanche of material from all over the world is boiled down and assembled in Paramount's *Home Office Bulletin* (averaging 60 pages weekly) and supplemented by the Paramount *News Letter,* which outwinchells Winchell with its snappy gossip paragraphs.

Lazarus reads or covers 150 of the most promising stories in an average week; fifteen of these are worth thinking about, five are picturable, two will be bought by Paramount and at least one will be produced. Each week Paramount's story board sits in judgment of the week's discoveries, selects those which it recommends for purchase. Dominated by Lazarus, the board includes : Manny Wolfe, Lazarus's assistant; Marian Spitzer, erstwhile Shubert press agent and *Saturday Evening Post* writer; Quinn Martin, motion picture critic of the late New York *"World";* Irene Francis, fourteen years a Paramount reader and now head of that department; and Francis Langton, eight years a Paramount reader. Lazarus's powers as a salesman come into play when he meets each week with five other Paramount executives (Emanuel Cohen, studio head; Al Kaufman, casting chief; Merritt Hulburd, head of writers; A. M. Botsford, Cohen's contact man; Harold Hurley, Cohen's production assistant) and all Paramount producers to determine which pictures shall be made. Sometimes Lazarus's story board recommendations are turned down (*"Men in White," "Ah Wilderness"*), but not without everyone's having been fully cognizant of his convictions in the matter. His ardent recommendation of Damon Runyon's *"Little Miss Marker"* (almost against unanimous opposition) won its acceptance, started Paramount on the way to a great box-office success.

The story behind *"She Loves Me Not"* presents Lazarus and his story board functioning at the height of their form. The story was first read in galley proof before it appeared in the *Saturday Evening Post,* but was turned down by the board as too illusive for picturization. Then a Paramount scout reported that Howard Lindsay was planning to make it into a play. That commanded renewed interest. The writing of the play was watched closely and the script read before it was ready for production. Paramount wanted it for a picture, backed the Broadway stage production financially, acquired the picture rights formally as soon as the play had run the three weeks required by the Authors' League's Minimum Basic Agreement. Paramount's story board, similarly, watched the writing of *"Sailor Beware!," "Pursuit of Happiness"* and *"Murder at the Vanities,"* earmarking them for purchase before they ever reached the Broadway legitimate stage.

Lazarus's sharp criticism of Paramount previews appearing in the Los Angeles theatres which he managed led B. P. Schulberg to invite Lazarus to join Paramount in 1932 to criticize and work on scripts. Schulberg, then head of the Paramount studio, valued Lazarus's keen appraisal of box-office values. When Paramount's reorganization placed Cohen in charge of production, Lazarus became head of the newly organized story board, with an opportunity to put his ideas on story selection into execution. As usher in New York's Plaza Theatre, exploitation man for First National, publicity director for Sid Grauman and manager of theatres and theatre chains in all parts of the country, Lazarus has observed public reaction to motion pictures since the World War. He believes that story cycles (war, gangster, etc.) exist only in the minds of producers and is convinced that no subject is ever "dead," that a picture will be successful if it interprets the public mind on a subject at the time it is released. He attributes the success of such widely varying approaches to the war theme as *"My Four Years in Germany," "Shoulder Arms," "The Big Parade," "What Price Glory?" "Journey's End," "All Quiet on the Western Front"* and *"Farewell to Arms"* to their exact interpretation of the public attitude toward war at the time each became popular. Each started a so-called cycle of war pictures, although the war theme had been declared "dead" a half dozen times.

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Gangsters and gangsters' relatives often consider their life stories great picture material, but seldom do the studios get a letter like that which Lazarus received last summer submitting the life story of Harry Pierpont, Dillinger gangster awaiting the electric chair in Ohio State Penitentiary. The letter concluded with: "Harry will be in to deal with you personally in a few weeks." The manuscripts of amateur authors are returned, unopened; but this one was turned over to the Department of Justice. Pierpont, with Charles Makley, another Dillinger gangster awaiting electrocution, tried to keep the Hollywood engagement by an attempted "soap pistol" escape from the penitentiary September 22. Both were shot down by guards; Pierpont was seriously wounded, Makley was killed.

MERRITT HULBURD (*Paramount*). Hulburd is Paramount's best insurance against the straight-jacketing of story *ideas* into the organization mold of Lazarus's highly regimented story board. Ideas, fragmentary and often illusive, might easily become sterile in such a machine-like organization. But Hulburd, with a fine appreciation of literary and artistic values, is admirably fitted to culture undeveloped story ideas until they are skilfully turned into scripts for production. Big, athletic, and bald at 31, his scholarly, brilliant, fluent conversation would mark him more quickly as an English college don than a Hollywood executive. Hulburd taught English at the University of Pennsylvania for two years between obtaining his A.B. and M.A. degrees there. He was lured into the Paramount organization in 1931 by attractive money offers made at a time when he was bored with his native Philadelphia and the *Saturday Evening Post,* where he had been Associate Editor for four years and on the staff for six. His wide acquaintance among writers and writers' managers, acquired while scouting for new talent and manuscripts for the *Post,* fitted him admirably for the task of acting as a sort of casting director for writers at Paramount, assigning them to the things they do best and teaming them up with producers with whom they may work amicably. He has been responsible for bringing many *Post* contributors to Hollywood (including Nunnally Johnson, J. P. McEvoy), as well as Paramount's greatest new star: Mae West.

Paramount's story board seldom can buy a play or novel or a short story to fit such stars as Bing Crosby, George Raft, or Mae West. Even if a published story is bought it must be revamped so radically that the author would never recognize his original story on the screen. It is Hulburd's task to build stories from ideas for such stars, as well as to prepare the shooting scripts for all Paramount pictures. He has a staff of 45 writers on a weekly payroll of $35,000 dedicated to this task. From three to seven writers usually work on each script: one may develop the skeletal plot, on which another will build the basic dialogue, a third pointing up tender love scenes, a fourth adding humorous touches, and so on until the story is ready for production. Some writers are great literary architects, designers of plot and story framework; others are builders, and some only clever shinglers; Hulburd has utilized each in his specialty. Thus he has developed the finest approach to the placing of an essentially artistic vehicle on something resembling a factory production schedule, a necessity in the economics of Hollywood, although Hulburd himself recoils from the thought of it. He has maintained the writer's viewpoint and often assumes the rôle of buffer between the writers and the production executives who can't quite understand why a writer doesn't have a finished manuscript ready by a specific date. Hulburd has a keen realization of the dominating importance of stars and stars' names, and has proved that relatively flimsy stories can be built into great box-office successes by pointing them for certain stars, building in surefire entertainment values and adding fine direction. Some stars exercise a veto right on the scripts prepared for them (Mae West, Bing Crosby, Claudette Colbert and George Raft at Paramount), so that an actor like West sometimes adds the very lines which spell success with a capital S at the box-office. Veto rights accorded stars in some contracts are usually an impediment to the production of successful pictures, but not in the case of a West. Hulburd brought her to Hollywood, but she insured her own screen fortune by adding lines to the scripts prepared for her.

The idea for George Raft's *"Undercover Man"* had its origin in a news story clipped from a New York paper by Russell Holman, Paramount's New York story chief, and sent out to Hulburd in Hollywood. Raft's *"Bolero"* had its beginnings in a desire to star him in a dancing rôle, since he is an adept dancer; and was hurried into actual production through Hulburd's discovery of a woman writer who had known intimately the great dancer whom Raft portrayed in the film. Her 60-page biography of the dancer provided the framework upon which other Paramount writers built the film story. Bing Crosby's *"College Humor"* originated as nothing more than a title which Lazarus believed would be a great box-office attraction. John Erskine's *"Bachelor of Arts"* was bought to serve as a basis for *"College Humor,"* but the writers soon tossed the novel away and built their own story, which became a Crosby success. Crosby's *"The Big Broadcast"* grew out of a decision to turn out a film studded with the names of radio stars; the flimsy story was incidental to that central idea. Crosby's *"We're Not Dressing"* was first conceived as a story built around the shipwreck of a "Cruise-to-No-Where" liner, but turned out to be a comedy of shipwrecked royalty on a private yacht. Crosby's comedies with music have forced New York's Tin Pan Alley further into the rôle of acting as a stooge for Hollywood. His *Please* from *"The Big Broadcast"* sold 275,000 copies; *Thanks* from *"Too Much Harmony,"* 200,000 copies; and *Love in Bloom* from the more recent *"She Loves Me Not"* is headed for a record 400,000.

Ideas for Cecil B. DeMille's productions (*"Ten Commandments," "King of Kings," "Sign of the Cross," "Cleopatra"*) have all had their origin with DeMille himself, a greater rarity among producers than the public realizes. His next production will be *"The Crusades,"* marking a return of the bald, ruddy DeMille to his own formula that "a religious picture never failed." His departure from that formula for his most recent *"Cleopatra"* may account in no small measure for its failure to become a great box-office success, for it lacks a religious theme for emotion. The religious motif enables DeMille's writers to concoct scenes of debauchery, sadism and warfare on a grand scale without fear of the censor, for such scenes can be based on biblical stories of the ancients, who did not believe in God. *"The Crusades"* will involve a prodigious amount of research by workers assigned to DeMille by Hulburd, no end of conferences in Hulburd's wood-panelled office (a Hollywood rarity) and on

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DeMille's 106-foot schooner *Seaward*. It will cost at least as much as *"Cleopatra"* ($750,000) but far less than the most costly DeMille (*"King of Kings"* $2,000,000).

WALTER MAC EWEN (*Warner Bros.-First National*). A tall, sandy-haired, twenty-seven-year-old Scotsman, Mac Ewen of Warners' is Hollywood's youngest scenario editor and one of the few motion picture executives who is not an American. It is his task to select about 300 picturable stories each year from 15,000 synopsized by his staff of a dozen readers, and recommend them to Associate Production Executive Hal B. Wallis for final determination of the fifty-two subjects Warners will produce. If a picture is apt to involve an extraordinary production expense, the final decision will most likely be passed on to Vice-President Jack Warner, whose playboy smile is broadest when he is displeased. Mac Ewen, willing to admit that story selection is far from being reduced to an exact science, is nevertheless so certain that at least a dozen stories each year can be judged as sure-fire successes that "I would be willing to put my own money on the line." When such judgments come from a Scotsman who hails from Ayr and started his film career in Glasgow working on Sir Harry Lauder's first picture, they command attention. Like most other story and scenario editors, however, he has a file of rejected discoveries which he hopes to produce personally some day.

Mac Ewen worked on the production side of motion pictures at the Elstree studios of British International Pictures until attractive promises from four Hollywood studios brought him to California. None of the promises materialized, so he took a reading job (which he considered the lowliest of all film pursuits; average pay, $25 a week) at First National to "earn necessary cakes and coffee," but was fired as a poor reader at the end of the first week. Given another chance at the same task, he was considered a very good reader in six months, and was the only First National reader retained in the merger with Warner Brothers. Promoted to Assistant Scenario Editor at Warners', the resignation of Howard Smith to go with Darryl Zanuck in the newly formed Twentieth Century Studios a year and a half ago opened the way for MacEwen's succession to the post of Warner Scenario Editor. Comfortably ensconced in his Burbank studio office behind a battery of a half dozen heavily used pipes on his desk, he pores over an endless flood of synopsized manuscripts, gets a great thrill out of each new "discovery" to make up for hours and days of wading through chaff. When Irving Asher, head of Warner British, was in Hollywood last winter for story conferences, MacEwen tucked several "discoveries" into his (Asher's) brief case to read on the boat going home, including one called *"No Escape."* Asher read the stories and hurriedly cabled instructions to buy *"No Escape."* MacEwen promptly bought his own story from himself, Asher not knowing the author's name until the transaction had been completed. It is now being produced in England.

Warner's greatest recent successes have been musicals, a venture started when musicals were generally considered "dead." *"42nd Street," "Gold Diggers of* 1933," *"Wonder Bar," "Footlight Parade," "Twenty Million Sweethearts,"* and now *"Dames,"* have been the big money-makers. Warners' Dick Powell is outdone as a popularizer of new songs only by Paramount's Crosby. A typical letter from MacEwen's daily mail, illustrative of the wide-spread belief among amateur authors that their ideas are stolen: "Dear Sir: I am willing to sell a story that I have written, to any director at Warner Brothers. I know you will like it. It is a very good story. The people will like it on the screen. If you would like to read my story, I will send it to you at once, but I hope there is no monkey business, because I come from a very good family." MacEwen did *not* ask the lady who wrote the letter to send her story, but she sent it anyway. His only hope is that her family is better than her story.

FRANCES MANSON (*Columbia Pictures*). Because Columbia's president, Harry Cohn, places major stress on stories and the studio writers who adapt them for pictures, Scenario Editor Frances Manson is in a key position to shape the trend of Columbia's annual output of fifty-two pictures. Because Columbia has produced several of the year's greatest successes (*"It Happened One Night," "Lady for a Day," "Twentieth Century," "One Night of Love"*) and has consistently shown a profit during the Depression, its own story is particularly significant. Behind stacks of manuscripts piled high on an untidy, *moderne* desk hiding all but her big, hazel eyes and glossy, black hair, Miss Manson works with an almost perpetually ringing telephone at her elbow. She stops occasionally to tell the inevitable agent at the other end of the line that she hasn't yet read the story which he sent in, but that if its an old lady story she can't use it. It was Frances Manson who started the craze for old lady stories, and an old lady story is the last thing she wants to see now. For nearly two years she "plugged" Damon Runyon's *"Madame Lagimp"* as a picture story, but was unable to win the sympathetic approval of President Cohn or General Manager Samuel J. Briskin. One day Robert Riskin, ace Columbia scenario writer, was without an assignment; Miss Manson suggested the Runyon story again, finally was authorized to buy it for $3,500. Riskin's fine adaptation of Runyon's story, given power through the climax which Riskin added, and provided fine direction by Frank Capra, became the box-office hit, *"Lady for a Day."* It further justified Miss Manson's judgment as a story editor, started a run on Runyon stories by other studios which netted Runyon a fortune. His latest 4,000-word short story brought $25,000 for picture rights, more than Columbia's policy would usually allot to the purchase of five to eight film stories.

Then again Columbia was in desperate need of a story for Frank Capra to direct starring Robert Montgomery, whom Columbia was to borrow from M-G-M. Some weeks before Miss Manson had been sent a synopsis of *"Night Bus,"* a story by Samuel Hopkins Adams for *Cosmopolitan,* and turned it down along with scores of other synopsized stories forwarded each week by Columbia's New York office. When the story was published in the August *Cosmopolitan* last year, Miss Manson read it for entertainment, saw in it the exact type of story she needed for Director Capra and Actor Montgomery. Capra shared her enthusiasm; *"Night Bus"* was bought for $5,000. The unbeatable team of Director Capra and Writer Riskin went to work on it, perfected a fine script retitled: *"It Happened One Night."* Ready to go into production, Columbia struck a snag: Montgomery, the star, was not available from M-G-M at the time. Clark Gable, a star whose light had waned until gossip had it that he was in the M-G-M "dog house," was sent to Columbia in Montgomery's place.

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The story was altered slightly to point it for Gable, and production started under Director Capra's skilled hand. As every cinema fan knows, *"It Happened One Night"* is the outstanding success of 1934; Capra becomes the No. 1 director of the year; and Gable has been given a new lease on his film life with a new contract at M-G-M and first-rate starring rôles.

"One Night of Love" was no more than a little, original, cheap play when Columbia bought it for Grace Moore, a star who was a "flop" a couple of years ago. Through tremendous build-up in the adaptation by S. K. Lauren, excellent direction by Victor Schertzinger and an unusually fine recording of Miss Moore's voice, *"One Night of Love"* was transformed into a hit good enough to gross $204,000 during its two-week premiere at New York's Radio City Music Hall. *"Twentieth Century,"* another Columbia success of the year, was bought by President Cohn on his own initiative when he saw it in New York. It had been turned down by other studios as not suited for pictures. To President Cohn: "You can take all the directors and stars, but give me the writers and I'll make better pictures. First in importance is the writer, then the star. The stories make the stars—stars don't make the stories." His staff of eighteen writers is topped by Jo Swerling (*"No Greater Glory," "Washington Merry Go Round"*), Riskin and Lauren. Proud of the fact that he is a product of New York's lower East Side, had to go to work before he was graduated from grammar school and entered motion pictures through production of a two-reel comedy which cost, exclusive of the price of the film, $100 to make, Cohn is an unsubtle executive in his weekly conference with writers, directors and executives.

When Miss Manson joined Columbia four years ago, she knew nothing about motion pictures. A graduate of Columbia University's School of Journalism, where she taught advertising and short story writing for a time, Miss Manson won a prize for hair tonic advertising copy, joined a New York advertising agency. Her mother's health forced her to give up a lucrative job writing department store advertising to go to California. She could find no position outside motion pictures, finally went to Columbia Pictures as Assistant Story Editor—principally in charge of stenographic help. Columbia had no reading organization then, its year's program was sold almost wholly on titles, and most of them were melodramas. Frank Capra's success with a comedy, *"Platinum Blonde,"* gave Miss Manson her first opportunity to swing the studio's production away from melodrama. Two years ago, she became Scenario Editor. She has a good "story mind" which delights in ferretting out bargains in stories which other studios have overlooked, a highly important attribute in a studio whose president has never joined magnates of the bigger studios in the expensive game of outbidding each other principally to hear the sound of their own voices. Money is treated with almost worshipful reverence by Mr. Cohn. When a writer submitted a manuscript in which a girl fell in love with an artist, President Cohn rejected it as "not true to life." The manuscript had been received enthusiastically by others in the studio. Mr. Cohn exploded: "No one would fall in love with an artist. They don't make no money." His Columbia Pictures, unencumbered by any affiliated chain of theatres or hungry bondholders, is taking in a great deal of money these days.

ALBERT PERSOFF (*RKO-Radio Pictures*). With his feet propped up on his walnut desk, Persoff hears the pleadings of an endless procession of literary agents and authors. He likes to think of himself as sitting on a judicial bench hearing literary "cases" on which he is required to pass sentence, for it was his original ambition to be a judge. He was graduated from Yale's Sheffield *cum laude* and from Yale's Law School *sine laude,* becoming a member of the Connecticut Bar in his native New Haven. When he realized that to become a judge he would have to be a lawyer first, Persoff quit the law and went to Hollywood —to judge stories. After four years as an assistant story editor at Paramount, he joined RKO-Radio Pictures as a reader, and was given his chance as an executive several months ago when RKO fired its story editor.

RKO has no elaborate story organization; it "farms out" most of its material to free lance readers who get $5 for the reading and synopsization of a novel. Those synopses, together with reports submitted by RKO's New York office, are filed by Persoff, who selects one or two of the best each day for the attention of five studio executives, including two producers. There are no conferences; a series of inter-office telephone calls may be all that is necessary to select and buy a story. David Selznick's success with Katharine Hepburn in *"Little Women,"* before he went over to M-G-M, has prompted a rummaging in RKO files for old properties which it may produce as talkies. One result: *"Laddie"* by Gene Stratton Porter (a *"Little Women"* with boys) has been dug out of the moth balls for an early remake. Another result: Miss Hepburn has been cast in James M. Barrie's *"The Little Minister."*

Because RKO's story department is more like a library than it is an active organization for story selection, RKO's producers (particularly Merian Cooper, Kenneth Macgowan and Glendon Allvine) are more directly responsible for digging out and selecting the stories which they want to make. Final selections must be approved by President B. B. Kahane and General Manager Frank O'Heron, money bag of Radio Pictures since the organization hit the financial rocks.

Merian Cooper, who was shot down in flames behind the German lines and lived to tell the tale of a crash landing while standing on a wing of his plane with a scorching stick in his hand, selects all of his own stories for production: *"Chang," "Grass," "King Kong"* and now *"Last Days of Pompeii."* His fantastic *"King Kong"* was purely a product of his own fertile imagination. It suffered chiefly from being limited to production in the confines of a studio set, a limitation dictated by RKO's tightened purse strings. Other RKO productions have shown this same influence; notably, *"Hat, Coat and Glove,"* which was bought with John Barrymore in mind and was finally cast with Ricardo Cortez, after writing and other preliminary production charges exceeded a restricted budget.

Glendon Allvine, who reads reams of originals himself in search of stories, came upon one several months ago by a Connecticut school teacher (his name must be hidden under a *nom de plume* to keep his old pupils from having all their illusions shattered), which suggested to Allvine a new slant on the age-old rescue story formula which has used stage coaches, cowboys, trucks, buses, locomotives and airplanes for action. The teacher's idea, which Allvine considers so unique that he is guarding it until the picture is released, was bought from the 47-page manuscript submitted, and developed into a scenario for *"The Silver Streak."* Bur-

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lington's new streamlined train will run to the rescue! While we may not hold our breath waiting for this to appear, it's the type of thing that excites enough producers, associate producers and supervisors each year to determine many of the ingredients (some indigestible) of your movie diet.

HOWARD SMITH (*Twentieth Century*). When Darryl Zanuck joined Joseph M. Schenck to form Twentieth Century Productions as a new company on the United Artists' lot, he took with him many good friends and faithful workers at Warner Brothers, where his reputation as a producer had risen to new heights with *"I'm a Fugitive," "42nd Street," "The Public Enemy"* and many others. One of his friends was the youthful looking Howard Smith, for five years story editor at Warner Brothers. Smith wedged his way into the picture industry as secretary to Eddie Mannix at Metro, later became a writer, did the screen plays for *"Land of the Silver Fox"* and *"Pay As You Enter,"* also an original called *"Silver Slave."* He is a likable chap and a good polo player; Zanuck likes polo, keeps a string of polo ponies. Polo Player Smith is now Mr. Zanuck's story editor at Twentieth Century.

Any organization which contains the dynamic Mr. Zanuck, to say nothing of being headed by him, must necessarily have every decision—including decisions on story selections—made by him. He has a mind unusually prolific of ideas, a mind that works like a steel trap in making decisions. His ten to twelve productions annually are unusually expensive, yet he is not wasteful. The twelve pictures on which he spent $6,300,000 during the last year will never be mistaken for "quickies"; his budget for next year calls for ten pictures at a total cost of $6,500,000. Five new productions now in preparation are illustrative of his choice of story subjects and stars: *"The Mighty Barnum"* (Wallace Beery), *"Clive of India"* (Ronald Colman), *"Cardinal Richelieu"* (George Arliss), *"Call of the Wild"* (Fredric March) and *"The Red Cat"* (Maurice Chevalier). The screen scripts for both *"Rothschild"* and *"Richelieu"* were written by Nunnally Johnson, whom Paramount's Hulburd brought to Hollywood only to lose to Zanuck's offer of an attractive contract. Paramount, wrestling with bondholders and courts and lawyers, is limited in the money it can lay on the line for writers' contracts; Twentieth Century, born after the collapse of the theatre-building hysteria of the '20's, has no such limitations. Its products, along with those of Samuel Goldwyn, Charles Chaplin, Mary Pickford and Douglas Fairbanks, are released through United Artists, which incidentally declared a dividend September 24.

GEORGE OPPENHEIMER (*Samuel Goldwyn*). Formerly a partner in Viking Press, a writer of several plays which were none too successful, and the intimate friend of ever so many literary lights (Sinclair "Red" Lewis and Dorothy Parker to mention two), Oppenheimer's recently acquired job as the Goldwyn story editor is not unlike his former one in Viking. Both required the searching out of a few unusually promising manuscripts each year. But life in the Goldwyn organization can never be kept within the bounds of a simple assignment; everyone takes a hand in doing and criticizing everyone else's work. Mr. Goldwyn, one of Hollywood's ranking legendary figures, may ask his secretary, his chauffeur, or his plumber what he thinks of a certain story and give their answers an equal place with the opinion of his story editor. If an Eddie Cantor picture is in production and everyone agrees there is something mysteriously wrong with the "rushes," Mr. Goldwyn, on his way home from the studio, may ask an itinerant plumber what he thinks of Cantor. "Oh, I like him fine, but he sings in too low a key," our plumber may say. Next day Mr. Goldwyn is ready to tell everybody what's wrong with the Cantor picture: "He sings in too low a key."

Mr. Goldwyn makes only three or four pictures a year and they have to be good, or he loses his shirt. He's still wearing it, with the current output including two Cantor pictures: *"Kid Millions"* and *"Sweetheart Time,"* and one Anna Sten picture: *"We Live Again"* (a new version of Tolstoi's *"Resurrection"*). Miss Sten, for more than a year Mr. Goldwyn's only feminine star, is to have a bit of competition with the addition of Miriam Hopkins on a contract. Miss Hopkins's first picture will be *"Barbary Coast,"* if the purity censors will quit brandishing their shears in such a frightening manner. Being the Goldwyn story editor is pleasant: trips to New York to see current stage productions and literary friends; trips to Europe for the same purpose; and an attractive Hollywood office with a mahogany desk on which to put your feet between winding and unwinding your legs. Oppenheimer should prove to be a good Goldwyn story editor.

JULIAN JOHNSON (*Fox*). Each morning a bulky, blue-eyed man strolls down a street lined with semi-tropical flowers, comes to a narrow lane marked *Unter den Linden,* turns and enters what for all the world looks like a neo-Roxy cow barn. He is Julian Johnson, erstwhile newspaperman, Morosco press agent, editor of *Photoplay Magazine,* playwright (*"Hari Kari"*), Paramount title chief, supervisor and story editor, and since June, 1932, the head of Fox's story department. The weird world through which he moves to his office each morning has been fashioned by Hollywood's experts in make-believe on the 105-acre studio lot at Fox Hills, west of Hollywood. It is his task to find and develop stories for Janet Gaynor, Shirley Temple, Will Rogers, Spencer Tracy, Warner Baxter, Loretta Young and many another Fox contract star. At 49, he is one of the oldest hands at the game, but he has had to learn and relearn the technique as the motion picture industry moved from silent to dialogue days. He was a topnotcher in silent days, supervising such old familiars as *"Beau Geste," "The Way of All Flesh," "Abie's Irish Rose," "Rango"* and scores of others during his twelve years at Paramount. Today his organization for finding and developing stories is not dissimilar from that at Paramount or M-G-M, but far less elaborate, far less costly and not so spectacular. Galley proofs of books and magazines and reviews of plays are covered in New York by Hunter Lovelace, one-time Hollywood literary agent, who ships them on to Johnson. His staff of scenario writers are housed with him in the ornate, barn-like structure which is the Fox Writers' Building, a stone's throw from the studio cottages of stars Gaynor, Temple and Rogers. Rogers takes a liberal hand in the selection of his own stories, sometimes in the writing of them, and has a contract permitting him to veto any story selected. Production of his three most recent pictures was allocated to the Fox Western Avenue studio in Hollywood: *"Handy Andy," "Judge Priest"* and now *"Life Begins at Forty."* The last started as nothing

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Over the Hill to Public Ownership

Will Congress send the railroads over the hill to public ownership and the poorhouse? Mr. Probert, Vice-President of the Chesapeake and Ohio Lines, examines the dangers in such a move.

by L. C. Probert

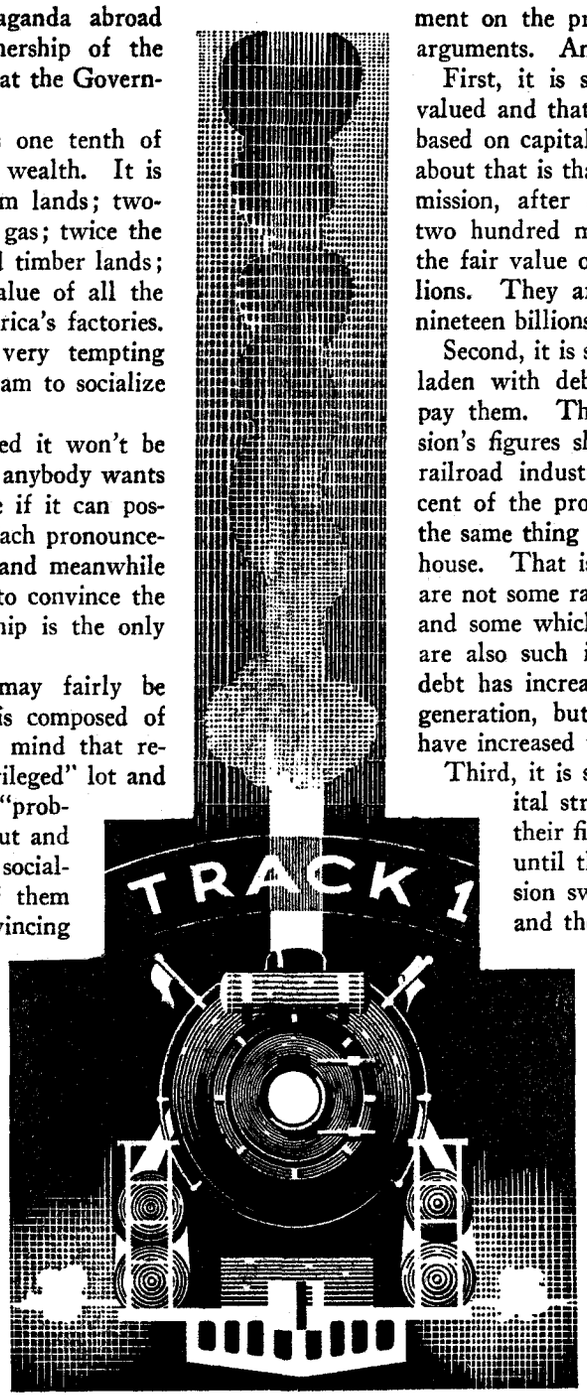
THERE is an active propaganda abroad again for government ownership of the railroads. It is part of the idea that the Government ought to do everything.

Our railroad system represents one tenth of the national productive capital or wealth. It is equal to the value of all the farm lands; two-thirds of all the minerals, oil and gas; twice the value of all of the privately owned timber lands; and is just about equal to the value of all the machinery and equipment of America's factories. Obviously, the railroads are a very tempting starting point for a general program to socialize all industry.

We are assured that it is hoped it won't be necessary; that it is the last thing anybody wants to do; and that it won't be done if it can possibly be avoided—"but . . ." Each pronouncement ends with the same *"but,"* and meanwhile a propaganda is being conducted to convince the country that government ownership is the only solution of the railroad problem.

The agitators for the idea may fairly be divided into two groups. One is composed of the social service worker type of mind that regards the public as an "under-privileged" lot and the railroad managers as a gang of "problem children." They don't come out and say so, but at heart they are for socializing basic industries. Many of them are brilliant writers and convincing speakers, but on their records they are unstable thinkers and unreliable performers, most of whom, at one time and another, have been on both sides of every public question that has been before the country.

The other group makes no pretensions to anything. Its object is to throw a twenty-six billion dollar industry and more than a million jobs into politics, and let the taxpayer foot the bills. Curiously enough, both groups are practically in agreement on the premises on which they base their arguments. And all of them are false.



First, it is said that the railroads are overvalued and that service charges to the public are based on capital which doesn't exist. The truth about that is that the Interstate Commerce Commission, after spending twenty-four years and two hundred million dollars, has reported that the fair value of the railroads is twenty-one billions. They are, however, capitalized for only nineteen billions.

Second, it is said that the railroads are so overladen with debts that they never can hope to pay them. The Interstate Commerce Commission's figures show that the funded debt of the railroad industry is a little more than 40 per cent of the property investment, which is about the same thing as a $4,000 mortgage on a $10,000 house. That is not to say, however, that there are not some railroads which are over-capitalized and some which cannot pay their debts. There are also such individual persons. The railroad debt has increased very little in the space of a generation, but the expenses of over-regulation have increased tremendously.

Third, it is said that under their present capital structures the railroads cannot earn their fixed charges. They did earn them, until the unprecedented business depression swamped them and everybody else, and the truth is that, taking the depression period as a whole, beginning in 1930, and the railroad industry as a whole, the railroads overearned their fixed charges by more than a half billion dollars throughout that period. Certain roads did not, to be sure.

Fourth, it is said that the railroads will be unable to finance their requirements in the public money markets and that nothing less than the Treasury of the United States will be equal to the job. The Treasury, of course, means the

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taxpayer. The truth about that is that within the last few months three great systems—New York Central, Pennsylvania and Baltimore and Ohio—have sold their issues to the public and there is no reason for believing that others, soundly capitalized and efficiently managed, will be unable to do the same thing. If the investor feels a reluctance to put his money into railroad securities, it is because regulatory authorities have refused to let him receive a decent return.

When the government ownership addicts get past these four premises they get into the field of generalities—chiefly the contention that the Government could operate the roads better, less expensively and more in the public interest. Maybe it could, but is there any reason for believing that it would? Did anybody ever hear of the Government doing anything efficiently or economically? Could a government which can't keep itself out of the red be expected to keep something else in the black?

Well then, you ask, just what is the matter with the railroads anyway. Two very plain things. Wildcat competition and the low ebb of business—the latter, of course, being the same thing that's the matter with everybody else. When there was some business being done in this country, the railroads managed to go along even under the handicaps of wildcat, government encouraged competition. When business collapsed, most of the railroads couldn't survive both calamities at the same time.

Let's reduce the case to a very simple comparison. On one side of the street Mr. A runs a store, where he has something to sell. He has invested his money and takes all the risk. The regulatory authorities say Mr. A and his store are so important to the community that they must, in the public interest, have a great deal to say about how he runs his business. Therefore they fix the prices he shall charge for what he has to sell and, no less effectively, they determine the wages and hours of his help and their number. He must carry a full line of goods and be prepared to give a complete service twenty-four hours a day every day of the year, and even though some parts of his establishment are running at a loss, he must continue to operate them "in the public interest" and stand the loss himself. Of course, he has to own his own property, or pay his own rent, and finally he is taxed to the extent of 8.8 per cent of his gross business. Should he make a better price to a large and steady customer than he makes to an occasional and unimportant one, he immediately has an engagement with the warden of the Federal penitentiary, for that is the law. Mr. A does his best to do business within bounds drawn around him, but he is "lacking in initiative" and "outmoded." Every once in a while he rebels and is promptly smacked down. I suspect he is one of the problem children.

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Now, on the other side of the street, Mr. B runs a store. He doesn't own the property, doesn't have to pay any rent, his taxes are insignificant or none at all, he hires and fires to suit himself, pays what he pleases, fixes the hours of his help and runs his business strictly for his own profit in his own way. If business is bad he simply stops doing business until it gets better. In some instances the public treasury provides his working capital. He makes as many prices as he pleases to as many different people. He pays rebates with impunity. Mr. B is a chiseler.

The railroads, as you have divined, are Mr. A; and Mr. B represents their wildcat competitors. Well, you say, just what do the railroads want done about it? Do they want to be relieved of all regulation so they can do business the same as Mr. B? Not at all. The railroads ask nothing but a fair field and no favor. The country has adopted a national policy of regulating the business of transportation for the benefit and protection of the public. Very well then, let's regulate everybody in the business in precisely the same way. Let's put everybody on all fours and let them go to it.

If it turns out, the odds being even, that science and invention have developed ways and means to transport people and goods more economically and more in the public interest than by steam railroad, that'll be just too bad for the railroads and there won't be anything to do about it. But the railroads are willing to take up that challenge.

Bear in mind that the public pays for running the railroads. Even though you never get on a train or ship a pound of freight, you help pay for running the railroads when you wear clothes, eat food, or sleep in a bed. You have a right to demand that the railroads be operated at the lowest cost for good service, and you will concede, of course, that the people who put their money into them are entitled to a decent return. We hear of "doles to capital" by way of dividends. What does a dollar invested represent anyway, execept somebody's labor?

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During 1934 the railroads of the United States will have to run 168 days to take in enough money to meet the pay roll. They will have to run sixty-three days to pay for the materials and supplies they use—and prices are going up. They will have to run thirty-two days to take in enough money to pay their taxes. They will have to run twenty days to pay for fuel to run their locomotives. In the remaining eighty-two days their income will go to pay all other expenses—something to the man or woman who has been prudent enough to lay by something in the way of funded securities—and if there is anything left after all that, the stockholder will be welcome to it. Some individual roads, unfortunately situated, will have to run all year to earn their pay rolls and supply bills alone.

There is no complaint about the service which the railroads provide—it is the best in the world. The United States is the only country on earth where a ton of freight is moved a mile for less than a penny on a steam railroad. Those who have a disposition to view everything foreign through rose-colored glasses and compare American railroads with European roads to the disadvantage of the former will do well to go and ship and travel on the latter. While maintaining a service admittedly the best in the world, in a time of great stress, the American railroad system, under the stimulus of reward for effort, has learned how to make 121 pounds of coal do the work of 163—an improvement of 26 per cent. In the meantime it has developed the power of the freight locomotive 58 per cent. The gross ton miles moved per hour of train operation stand at an all time high. These are merely a few actual examples. No other railroads in the world provide such comfort and convenience for travel. If you doubt it, go try some of the others. And, in the meantime, the American railroads have been made the safest in the world—except for those national pests who race the engineer to the crossings, or use the tracks for sidewalks. The accident insurance statisticians will tell you there is only one place where you are safer than you are on a railroad train. That is home in bed.

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If we're going to venture into government ownership of the railroads in the United States it might seem sensible to view the results of government ownership elsewhere. No one can dispute that American railroads have the lowest average capitalization per mile, the highest scale of wages, the lowest average of rates and a preëminence in service. What is the record of government ownership in any country which has it? It is a record of decreased efficiency, increased expenses, lessened initiative, political interference and economic waste. Canada is the latest outstanding example. Her venture into government ownership has to date cost the people of the Dominion $1,393,000,000, on which they have received no return whatever, and they are obligated to pay $1,276,000,000. The Royal Commission. which investigated the mess, reported that unless some way to do something about it could be found, the financial stability of the Dominion of Canada itself might be threatened. The only explanation which the Canadian people have been able to get is that one political party blames the other.

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And here is another fact: there is not one single instance of any improvement in railroad operation on record as having been developed on a government-owned railroad. Railroad service has been developed by the free play of competition and the incentive of individual reward in the United States. It is the American railroad which has produced the automatic coupler, the air brake, the automatic block signal, the automatic train control, the steel car, the refrigerator car and the air-conditioned passenger train. The improvement record of the government-owned railroads everywhere is absolutely nil.

One might speculate interminably on what might happen if we had government ownership in the United States. We had government operation of the railroads during the first World War. One might reasonably assume that the public mind had retained at least some recollections of that adventure, but apparently "the only thing we learn from history is that we learn nothing from history." Every business man remembers how it took two days to get a letter from Washington to Baltimore, and how he often closed down for lack of supplies while government officers franked grand pianos from Washington to San Francisco on preference orders.

It was at a time when the whole country was devoting its whole effort to winning a war. Every industry from agriculture up was at peak production. If ever there were a time when the railroads were full of business it was then. Literally there were not enough rails and equipment to move the traffic. By all the rules of any game those should have been harvest days for the railroads. But what actually happened?

When the roads were turned back to their owners in 1921 an effort to retain them for another five years was overwhelmingly turned down in Congress. Some of the same people who are advocating government ownership now made the best speeches against it then. But when the roads were turned back it was necessary, in order to put them on their feet and get the transportation of the country going again, for the Government to loan the roads $1,080,000,000, which was spent to recoup the damages done by government operation. And to enable the railroads to get that sum of money from the public so it could be paid back to the Treasury of the United States, the Government authorized an average increase of 30 per cent in freight rates, an increase of 20 per cent in passenger rates and a restoration of the Pullman surcharge. There's the answer to the claim that government ownership would reduce rates. And the people of the United States are still paying that particular bill, although most of them are oblivious of it, because $38,000,000 still remains to be repaid to the government, and in the meantime $216,000,000 have been paid in interest, all of which necessarily has been included in the service charges to shippers and travelers.

It is reasonable to calculate that government ownership would cost every man, woman and child in the United States a minimum of twenty cents a day in taxes. Railroads now pay in taxes, local, state and national, almost $1,000,000 a day—in the high peak of prosperity they paid more. The tax bill of the railroads for 1934 would pay all the expenses of the United States government from 1789 to 1814, covering the administrations of Washington, Adams, Jefferson and Madison. The sum is about one half the annual interest on the present public debt. From it millions go to local communities for maintenance of public schools. Forty-five per cent of all taxes paid by railroads goes to pay for free public education. Then $43,000,000 annually goes to build and maintain highways for some of the wildcat competitors to run over and destroy. A remaining $125,000,000 goes for "general public purposes," which includes a contribution to the expense of making waterways out of streams which nature made too thick to navigate and too thin to cultivate.

When the railroads stop paying these taxes, as they will if the Government owns them, the taxpayers will begin. Not a single community in the United States can escape the new tax burden. There will, of course, be an operating deficit. A deficit of as little as $350,000,000 a year would be a pleasant surprise, and that's another million dollars a day. A total additional tax burden of twenty cents a day for everybody for the pleasure of owning the railroads would be a minimum prospect.

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Then what about the jobs of a million men and women who work for the railroads—half a million more in good times—and the jobs of three million more who work behind the lines producing what the railroads consume? Politics lives on jobs, as everybody knows. Can anybody get a government job now without political influence? If anybody thinks so let's take a current example. Here's a copy of an official document, which throws some light on the subject:

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF RECLAMATION
CUSTOM HOUSE

Address all communications to the Chief Engineer,
Office of the Chief Engineer

May 15, 1934.

NOTICE TO APPLICANTS

The Secretary of the Interior requires that each recommendation submitted to him for appointment to a non-civil service position in the Bureau of Reclamation be supported by clearance from some appropriate official in the Democratic Party organization. Such clearance need not necessarily be in the form of an endorsement or recom-

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mendation. A brief statement to the effect that there is no objection to the proposed appointment is all that is needed.

In order to support a recommendation to be forwarded for your appointment, it is requested that you obtain from either the Chairman of the Democratic County Committee, the Chairman of the Democratic State Committee, or the Chairman of the Democratic Central Committee in the county or state in which you claim legal residence, a brief statement or clearance as indicated above. The clearance should be mailed to the Chief Engineer, U. S. Bureau of Reclamation, Denver, Colorado.

Very truly yours,

SIGNED: R. F. WALTER,
Chief Engineer.

Don't be misled because this remarkable document mentions one particular party organization. It might just as well mention any other. Anybody who knows anything knows that a million employees in railway service under a government which itself is based on the political party system would be administered for the political need of that system and not for considerations of fitness for service, ability to render service, or any other consideration. The point is so apparent to every informed person that it is a waste of time to discuss it.

There's another item which shouldn't be overlooked. The railroads in a normal year buy and consume 25 per cent of all the coal that is mined; 16 per cent of all the steel that is fabricated, and 16 per cent of all the lumber that is manufactured. They practically buy the backlogs of those three basic industries. Every business man knows the economic effect of that. Does anybody want to throw the principal production of steel, coal and lumber into politics? Can you imagine what would accompany the purchasing by the government of those tremendous bills of materials? The writer will leave it to anybody who ever tried to sell anything to the government. The record of purchases of public building sites, the distribution of public buildings and the allocation of Federal funds for road building and river and harbor improvement, contains the answer. And if the railroads were to be government-owned, how long would the sources of their supply of materials remain privately owned? Government ownership of the railroads would inevitably be only the first step on the path leading to state socialism, which never distributes wealth, but invariably distributes poverty.

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It has been naively suggested that it would be a good thing for the owners of the railroads if the Government were to take them, because the Government always pays a good price for everything. It might be good for bondholders who might be willing to take low interest rate Government securities, but what about the stockholders? Those who look forward to the day when the Government will own the roads are not thinking in terms of dollar-for-dollar exchange for their securities. They think the Government ought to get the railroads for just about the underlying bonds—at a total of not more than twelve or fourteen millions at the outside. Stockholders probably would have their wealth "distributed."

Who are these stockholders? Are they persons swollen with wealth? Not at all. They are the man and the woman in the street. They comprise the great majority of the stockholders of all American industry as well. We already have *public* ownership of industry in America. In no other country is the ownership of national productive wealth so widely distributed. Taking the stockholders' lists of eleven large railroads, one finds that 88.9 per cent of their stockholders are small stockholders. In seven great public utility companies 92.7 per cent of the stockholders are small stockholders. In seven large oil companies they comprise 80.2 per cent. In six large metal companies they comprise 90.4 per cent. And in eighteen other large corporations engaged in various industries they comprise 87.4 per cent. These are the people who would in large part inevitably be "washed out" if the Government took over the railroads. A dog may bury a bone; a squirrel may bury a nut; but the human being who exercises some of his remaining "human rights" and lays by a dollar for a rainy day is getting into the borderland of social criminality.

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Much is being made of the silly charge that the railroads are wastefully administered and pay high salaries. If critics really want to help the railroads reduce their expenses they might at least do their hunting where there is some game. What about the empty trains being operated all over the United States because politically minded regulatory bodies command their continuance under the pressure of local influences? They are causing the railroads a loss of $250,000,000 a year, and politics, in the main, is the cause of it. What about the millions—estimated as high as 100 millions a year—paid to labor for services that never are performed, and compelled under the so-called "feather bed" rules? Has any regulatory body the intestinal fortitude to tackle that item which has a vote attached to it? Is there any reason to believe that it would be tackled if the Government were running the railroads? The regulatory bodies never have made rates to provide fair return on the valuations they themselves have fixed—as they are commanded to do by law—and any proposal to bring the rates to a proper level always brings a storm of opposition. Yet nobody seems to notice that the Government of the United States slapped an increased rate of 50 per cent on every two cent letter for no other reason than that it needed the money.

Why not look into the expenses heaped upon the railroads in the name of regulation? When valuation was undertaken by the Government the country was solemnly assured that it would take two years and cost $8,000,000. It took twenty-four years and cost $200,000,000, almost all of which was paid by the people who use the railroads because it necessarily went back into the service charges and the remainder was paid by the taxpayer in general. And although the work has been finished, the particular agency of the Government which conducted it still is in existence at an expense of $2,000,000 a year.

A typical example of how a regulatory bureaucracy grows is to be found in the Interstate Commerce Commission itself, which has many good things to its credit. The first year of its operations in 1884 it cost the taxpayers $98,000. In 1933 it cost $7,130,000. Nobody knows nor can estimate the cost of the various activities now being conducted under Government auspices with the aim of coördination. All that anybody knows is that the public, which uses the railroads, is going to pay the bill. There

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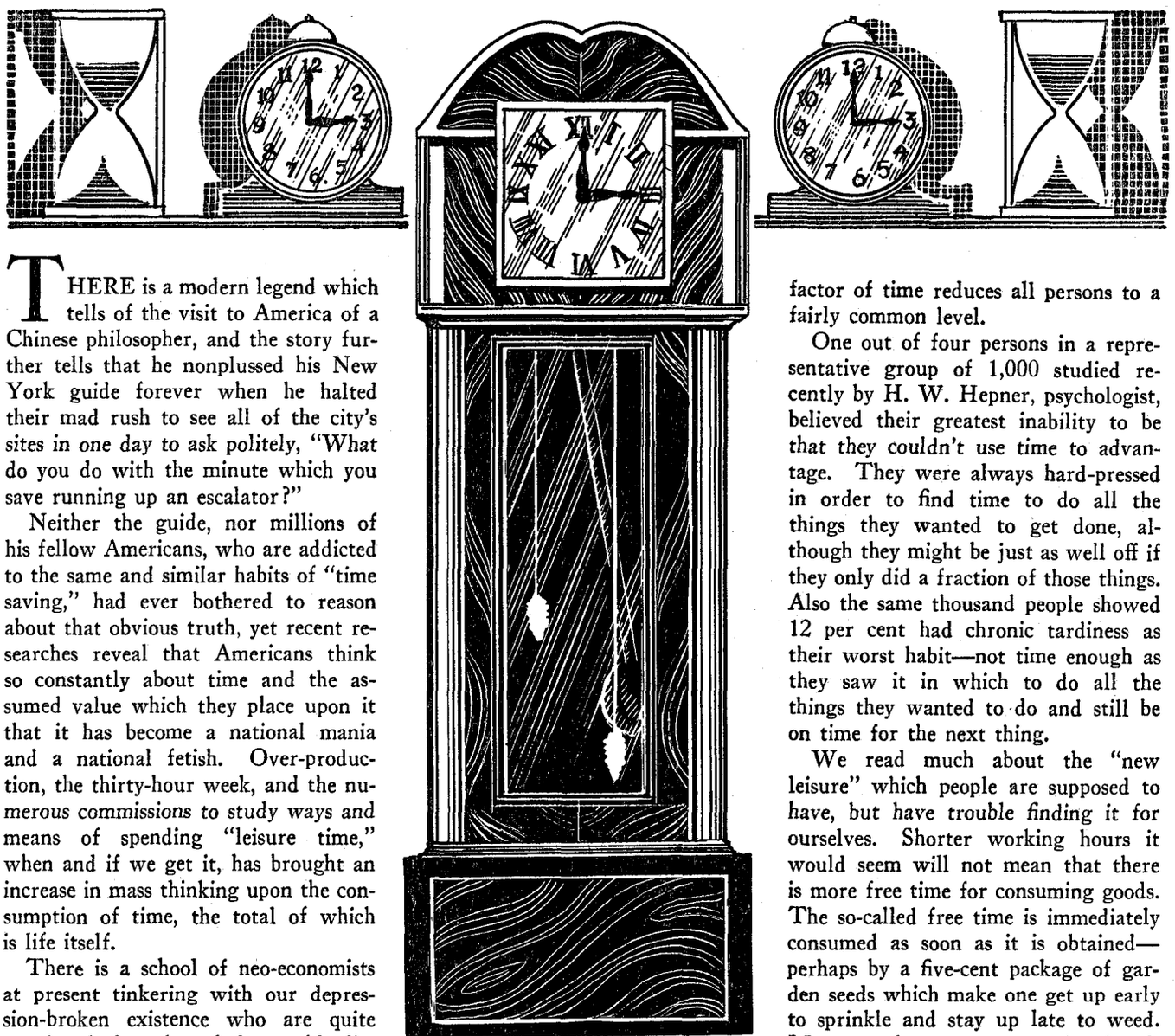
The Thieves of Time

by Donald A. Laird



THERE is a modern legend which tells of the visit to America of a Chinese philosopher, and the story further tells that he nonplussed his New York guide forever when he halted their mad rush to see all of the city's sites in one day to ask politely, "What do you do with the minute which you save running up an escalator?"

Neither the guide, nor millions of his fellow Americans, who are addicted to the same and similar habits of "time saving," had ever bothered to reason about that obvious truth, yet recent researches reveal that Americans think so constantly about time and the assumed value which they place upon it that it has become a national mania and a national fetish. Over-production, the thirty-hour week, and the numerous commissions to study ways and means of spending "leisure time," when and if we get it, has brought an increase in mass thinking upon the consumption of time, the total of which is life itself.

There is a school of neo-economists at present tinkering with our depression-broken existence who are quite convinced that the whole trouble lies with the inefficiency of Man as a Consuming Machine. Few, if in fact any of these, either realize or concede the importance of the factor of time as it relates to the wants and demands of the average American in his role of consumer. He wants to eat faster, shave quicker, get from here to there faster (so that he may be back here, where he started from a little sooner). Studied as a consumer and as a buyer, man in a depression wants little here below, and none of that unless the manufacturer, the salesman and the service man can assure him that "it will save time." The successful salesman is always prepared, or should be, to give that assurance, on his own authority, if on no one else's, although paradoxically many modern aids and conveniences to living turn out to be new time consumers.

We may begin by stating that the average consumer has only twenty-four hours in his day; older consumers have even less than average time for consuming since they use much more of the allotted twenty-four in the essential processes of sleeping longer and eating slower. But the factor of time reduces all persons to a fairly common level.

One out of four persons in a representative group of 1,000 studied recently by H. W. Hepner, psychologist, believed their greatest inability to be that they couldn't use time to advantage. They were always hard-pressed in order to find time to do all the things they wanted to get done, although they might be just as well off if they only did a fraction of those things. Also the same thousand people showed 12 per cent had chronic tardiness as their worst habit—not time enough as they saw it in which to do all the things they wanted to do and still be on time for the next thing.

We read much about the "new leisure" which people are supposed to have, but have trouble finding it for ourselves. Shorter working hours it would seem will not mean that there is more free time for consuming goods. The so-called free time is immediately consumed as soon as it is obtained—perhaps by a five-cent package of garden seeds which make one get up early to sprinkle and stay up late to weed. Many people even consume time in advance, borrowing an hour or two on credit from their sleep. Time needed for proper sleep is stolen—the sleeper must be to work at nine in the morning.

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The average customer buys a new car to save time in getting to and from work, he thinks. But he does not save time in the long run. The first week end he has to take eighteen hours additional time in which to drive around and show the new purchase to friends, a few more hours each week are spent in polishing and admiring it; and additional time, not easily measurable, is expended in "going," because he now has four wheels on which to go.

Each new purchase takes added consumption time; the new radio takes an hour or two away from each night's sleep at least for a week or so after it is installed in the living room where the old, neglected phonograph which took no time used to occupy the place of honor.

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In addition to the automobile other forms of speedy communication also take time. As a result we no longer have to walk half a mile to visit friends, but it makes it so much easier to invite or be invited over for losing two hours at a movie, four hours at bridge. It saves us energy in one way, and takes time and energy in many other ways, so that rather than gaining any net time and energy we are actually usually running up a bigger deficit in these resources as a typical average consumer.

This average consumer quit eating breakfast some time ago—the few nibbles he tosses down his gullet mornings cannot be dignified by the name of breakfast. And one of his old chewey breakfast food favorites had to be brought out in a new softish form that he could eat with less chewing even quicker. Shades of the Autocrat of the Breakfast Table!

His wife adopted a quick-cooking breakfast cereal, and he insists on boneless codfish because he feels that he can't afford the time to pick out the bones at the table.

He threw out his old shaving mug because he found a new preparation which took no time for lathering. He uses an effeminate safety razor because honing and stropping the old straight-edge took thirty seconds which he hated to waste. He shaves himself rather than take the time to wait his turn in the barber shop.

This pressure of time seems to be a sympton of what some have called *Americanitis*. It is relatively new. We are so stimulated emotionally that we cannot let down or slow up, but only fifty years ago there seemed to be much time in the 24-hour day. The leisurely buggy ride on Sunday afternoon which provided an opportunity for small talk with relatives and friends has been supplanted by an afternoon of trying to pass every car ahead on the highway. We transfer from the subway local to the express to save two minutes, while grandfather spent four leisurely days on the boat trip from New York to Albany.

Charles Darwin was busy only from 8:00 to 9:30 and from 10:30 until noon—taking an hour of ease in his brief working periods out of which he revolutionized the concepts of science. Herbert Spencer worked only three hours a day.

There is still just as much time in a day, but we try to do so many more things than grandfather ever dreamed of that consideration of the consumer's time is now a pressing matter in the design and sales of products.

This too often neglected time-predicament of the average customer presents several sales problems. The two major problems are to find when the consumer has time to talk about the merchandise and the other is to show the consumer how he will have time to consume the goods offered for sale.

The customer does not want to waste a single minute. He is impatient, and dislikes the salesman who takes too much time, just as much as he dislikes having to wait for a barber or a trolley car or to stand for a few minutes waiting for a store sales clerk.

The housewife is in a bad frame of mind when the canvasser calls her from the kitchen to the front door. She feels better about it when, on washdays and around meal hours, the canvasser comes to the rear of the house so she will not waste her precious time running to the front door. The executive appreciates the thoughtfulness of the salesman who asks for exactly five minutes and who puts his watch on the desk to see that he does not overstay.

This is one score on which something good can be said for the canned sales talk. It gives the essential points in a few words, with a consequent saving of the customer's precious minutes. But there are other ways in which the customer's pressure to get enough time should be recognized.

One southern wholesale clothing salesman, for example, *waited on* trade in a haberdashery store during a Saturday rush rather than simply trying to *sell goods* to the buyer. It took a half-day of the salesman's time, but he ran up a good sales total for the store, saved time for the buyer, and the net result was an appreciative permanent customer for his house.

The product which will save time for the consumer has in that time-saving quality a feature he prizes highly. The consumer does not want more time for its own sake, but for the things he can get with that added time—time, you see, has become almost as much of a purchasing power as has money, both time and money will purchase other things which he wants.

While it may be true, for instance, that the electric ironer will make the clothes look as if they had come from the downtown laundry, what the housewife is most impressed with here is that it will save an hour of this priceless time for her each week. But not time for its own sweet sake to store away in the secret hiding place under the mattress, but time to see an extra movie every two weeks, time to wax the living room floor, time to get to that long-delayed overhauling of the attic—time to do any one of a hundred things which one has been trying to find time to do.

An insurance annuity interests the insurance salesman's client less as a way of saving his money than it does as something which will later yield to him the time that he wants to be free to do all the things he thinks he wants to do. He is not buying an annuity, if the salesman understands human nature properly, he is buying time to attend all the home baseball games, time to bring his stamp book up to date, time to sleep without the apprehension that the alarm clock will bang in his ears any minute.

Electric clock sales did not appear promising so long as they were sold because they were more accurate or more modern than stem-winding clocks. Sales costs went down when it was found that the customer would save the time of winding a clock, of calling on the telephone to get the correct time, of winding the alarm, and of having to wind several clocks through the house. Actually, only a trifling minute or two a week is saved by the electric clock, but that minute looms as highly valuable in the peculiar perspective the modern person has today.

Shopping time, has fallen under the same demand for getting more time. In recognition of this department stores long since reorganized their departments. The furniture department no longer sells, for instance, just bridge tables. It also sells playing cards, table covers, and beverage sets so the consumer will not have to travel over two or three floors to get what she is likely to want, what she has in mind when she buys a card table. Diapers and rattles are sold in the corner with cribs. More elevators than are needed are installed, increasing store overhead, because the customer doesn't like to spend the five seconds waiting for a car.

The average man thinks he does not have time to shop around. The average woman loves to shop, but she, too, finds trouble locating the time. Both are impatient over time spent waiting to have a sales clerk serve them, and impatient if the goods cannot be delivered that same afternoon.

Quick lunches at the soda fountain are replacing the

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hour and a half lunch. A particular kind of gasoline is bought because it will start the motor in the hairbreadth of a second. The amber warning is taken out of the traffic light because the average person could not wait the tedious full second for the green light to flash *"Go."*

He smokes tailor-made cigarets because it takes so much time to roll his own. And he prefers the cigaret with the package that can be opened in the least time—any package, in truth, that opens with the least fuss and bother. His craving for more time gave the market for tabloid magazines which give him the high spots of other magazines and newspapers in almost zero time. One nationally known magazine induces reader interest in its offerings by telling the prospective reader the minimum time to split seconds which he will have to spend to read a certain article, or a certain story.

The time-conscious American passes up advertisements which have a lot of solid reading matter and shies at the bulky direct mail appeal to buy. He would like to read *"Anthony Adverse"* but can't take the time for its 1,300 pages away from fishing, washing the car, carrying out the ashes, his favorite movie theatre, cross-word puzzle, and Thursday night lodge meeting.

The city dweller, particularly, has this time fetish. He will pay ten dollars more rent to save two blocks walk a day. And will buy at the store located at a bus stop or trolley intersection.

Time is not prized so inordinately in the small town or rural section, but it still has a definite value for the things it will bring the country man or woman. In recent years some 500,000 more persons annually have migrated back to the country than moved in the opposite direction, to get, among other things, *more time to do more of the things they think they want to do,* that they believe they don't do because they haven't got the time.

The new industrial legislation reducing hours of work will not give the average person more free time. There are still dozens of things he wishes he had time to do and each one he starts will crowd the time of a host of others.

The wise salesman knows that he must show that his product will give his prospect some more time, but he mustn't defeat this by taking too much time proving it to him. For time is an *open sesame* to many things he deeply desires, things which no money in the world can purchase—or so he believes. The belief is sacred. It must not be tampered with. Imagining they are so fearfully busy, prospects are most likely to listen to the salesman who uses a brief and brisk introduction which tells his purpose and describes his product in a nutshell. And if he does not have time, nor inclination, to invite the rest of the sales story, he has at least heard its essence.

The brisk customer, especially, demands speed and brevity of the salesman. If the prospect is busy, make an appointment for a definite time. If it is something to be sold to the family as a whole, the salesman will find them less pressed for time if he calls in the evening. If the customer seems especially busy, tell him you will not take more of his time now if he will give you an appointment for, say, 2:00 tomorrow afternoon when he will not be so rushed.

And heaven help the salesman who rambles all over the lot in his talking, stealing the customer's prized minutes and wasting his own time.

"He doesn't actually mention wheat, but he might as well," Ray Giles relates about one salesman. "He's been here four or five times," a prospect says of another salesman, "but I know very little about his product. He spends my time telling me about weather, about the condition of the country, advertising policies, and advising me how to run my job. Now, I am out when he calls. I can read newspapers as well as he can."

Another illustration of the value of time as a commodity is found in Montreal where a barber shop and a tailor shop are combined. Hair cut, shine, manicure, and trouser press can all be obtained at one stop. The establishment with a dual or even triple personality does a thriving business, without the conflict which might be imagined between having a simultaneous manicure and pressing. It is an inevitable thing in retailing of any kind—it flatters the customer into believing that he is doing that exciting and thrilling thing: *saving time.*

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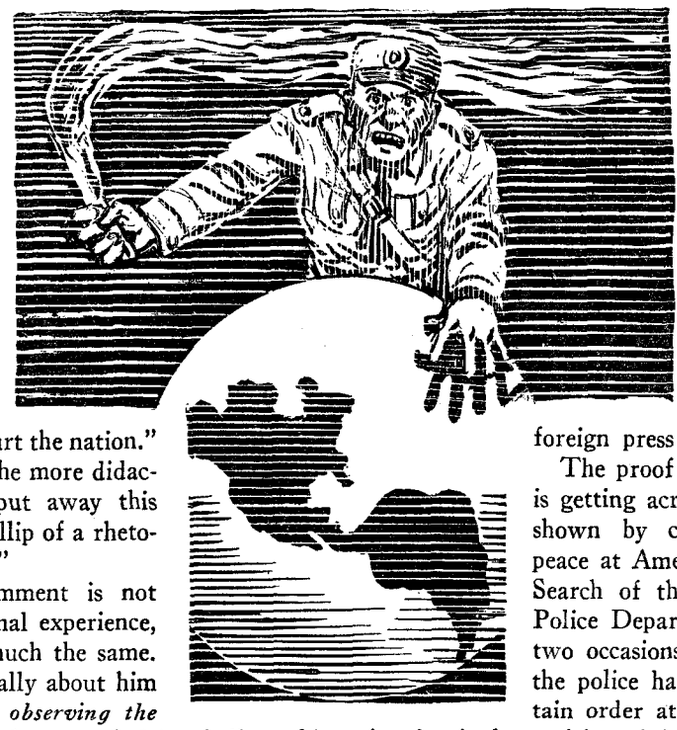
Hates Across the Sea

This is the second of a series of two articles dealing with the coming boom in American hate, racial and political.

by Cedric Fowler



IT is a standard quirk in the thinking of the average American, who escapes being in any way touched by the various facets and factors of the new racket of social prejudice, to dismiss its importance by arguing erroneously from the specific to the general, saying in effect to his family, to his friends and to his associates: "It isn't bothering me, it doesn't touch us, therefore it can't hurt the nation." The more positive ones and the more didactically ignorant sometimes put away this specious argument with the fillip of a rhetorical question, "Now can it?"

Even when such lay comment is not based exclusively upon personal experience, the conclusion is apt to be much the same. The commentator looks casually about him —a gesture which he terms *observing the state of the nation,* and if he does not find it wholly to his liking he promptly observes that there are not a few others of the same opinion and remains calm both in traditional conviction and out of satisfactory past demonstrations that all of that will be changed at the next election. That change, frequently the most violent kind of change, can, and has been, achieved in peaceful fashion at the American polls in the past lulls him into a sense of false security, increases his blindness.

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But if he be more than usually argumentative, blindness will be a charge which he will vehemently deny. He will produce his new proof then not from the state of, but from the nature of, the nation. He will seek to show that at least the great middle class of America is traditionally pacific, traditionally conservative. It has, he says, no tradition of class hatreds, no nationalistic bad feelings, except those already spent in war and forgotten. And while he lulls himelf to a sense of full security by the sound of his own voice, mouthing these well worn arguments, he forgets one important fact: hate is an importable commodity, and its importation into America from hate-filled Europe a business which publicists, propagandizists, plain everyday press agents and large sections of the American foreign press find extremely remunerative.

The proof that the imported commodity is getting across, duty free, is perhaps best shown by certain activities against the peace at America's principal port of entry. Search of the records of the New York Police Department reveal that on twenty-two occasions during the past six months, the police had to be called upon to maintain order at meetings and gatherings foreign inspired, participated in by groups expressing racial, political or national hatreds entirely foreign to the United States, or for the expression of European political theories in whole or in part subversive to the interests of the existing American political order. These twenty-two occasions required the assignment of services of a total of 3,531 police. They are the manifestation of the activities of foreign groups, societies and organizations which are the nuclei of the new movement of race hatred in America. They are, in effect, the underground pools and reservoirs, well-stocked, which may supply the fuel to some future, purely native conflagration.

On November 2, 1933, Chancellor Hitler granted an interview to Karl von Wiegand, European correspondent of the Hearst press. Hitler's principal purpose in granting the interview was to deny, without reservations, that Nazi propaganda of any nature was spread in America, or, for that matter, in any other country. Nazism, he announced,

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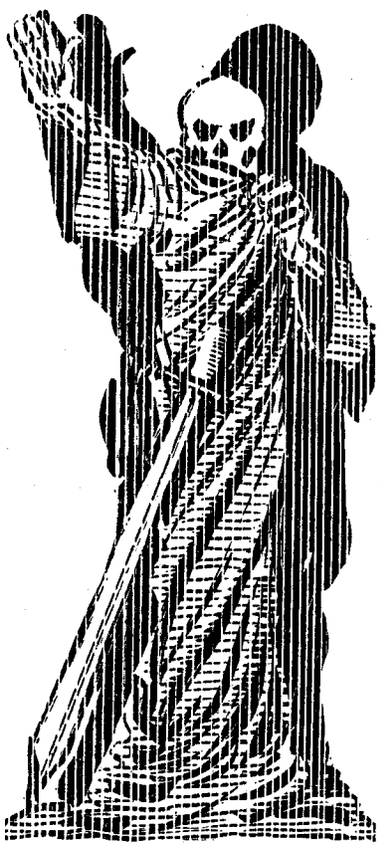
was not for export. On November 7, 1933, Colonel Edwin Emerson was engaged by the Reich Propaganda Ministry as "representative of the National Socialist Party's interests" in the United States. Later in the month George Sylvester Viereck, Poulteney Bigelow, T. St. John Gaffney, Carl Byoir Associates, Inc., and Ivy Lee were hired either directly or indirectly by German interests to plead the cause of Teutonic social and business interests in this country. When the hiring was indirect, as in the case of Lee, the sums paid were so fantastic as to raise anew the question of why such work was necessary in a country supplied with press services whose integrity cannot be questioned. All of those hired were skilled and successful publicists. The salaries paid to them were large—so large, in fact, that Economics Minister Schacht was recently forced to call a cut in the foreign expense of Dr. Goebbels' propaganda office.



The first task of these representatives was to counteract the so-called "atrocity stories" spread in the United States by the opponents of Hitler's régime; ostensibly they were to confine themselves to that. The method was two-fold. Positive steps began with the release of glowing reports on the condition of Germany. Met at the gangplank by ship news reporters, these experts in public relations replied to all questions in the most ecstatic terms. Germany, they said, had never been happier. Hitler had united the great Teutonic people as they were never united before. Complete harmony existed between all parts of the Nazi system. The Storm Troopers were a magnificent, contented body of men. Hitler's subordinates were all working feverishly to carry out the orders from above, without thought of private intrigue or ambition. The old German ruling class was behind the Führer to a man. So was the working class. A Germany united in common love and devotion was moving ahead to heights never before attained.

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More negative means were used on the racial question. Of persecution, the returning visitors reported they had seen none. Undoubtedly there were excesses in the early days of the "revolution," but those were over now. Responsibility had cooled whatever fanaticism the pre-Chancellor Hitler may have possessed, they said. Leadership had made a statesman of him. The concentration camps were not places of torture, as ill-informed persons supposed. In reality, they were places of *"social reconstruction."* Prisoners were as often held for their own good as not, and while undergoing protection were well fed, comfortably housed and far from overworked. Several of the returning visitors had inspected camps, and could only report that they were managed with typical German thoroughness. And above all, it was unjust and unwise for Americans to condemn a great nation before they had time to judge for themselves. Even an oppressed minority was not averse to using propaganda. Pausing at the end of the gangplank, the homecoming travelers pleaded with the public to show again that fairness, impartiality and true liberalism for which America was famous.

Away from the ship reporters, the publicists went to work more earnestly at their new assignment. All of them commanded avenues of publication, through syndicates, newspapers and the lecture platform, and they proceeded to use them. Speakers were sent out who told harrowing stories of the horrors of life in Germany before the Nazis came to power. Articles were offered with similar material. Syndicated feature stories were sent out to whatever publication would accept them. There was no lack of a market. In the first months of the Hitler *coup,* it should be remembered that the American appetite for copy on Germany was insatiable. Any writer with any pretense to first hand knowledge, no matter how dubious, could be sure of readers. The period in general was one of consuming interest in political discussion—for that matter, still is. Mulling over dictatorship versus democracy had become one of our principal indoor sports. And since American readers (like others) are apt to be a little gullible about flash news matter, almost anything went down.

The sharpest assault on American public opinion centered on the issue of anti-Semitism. Ivy Lee, least conscienceless of the Nazi staff, tried to persuade his employers that racial persecution would never be accepted in this country. The attempt failed, and Mr. Lee was forced to continue what he regarded as a thankless task. Other agents were more constructive. Taking their facts straight from the official mouth, they repeated the story of previous Jewish domination of German life. They showed again how one per cent of the population had filled any proportion up to fifty per per cent of the controlling places in German economy, science, and intellectual activity. They repeated the Hitler formula on Semitic treason against the Aryans—how a proud nation had been humiliated and degraded in the post-war years.

They also used the familiar indentification of Communism with the racial issue. Germany, according to their reports, had been for months on the verge of a bloody Communist uprising. Hitler had saved his country (and with it Europe and the world) from Bolshevik horrors. Bolshevik and Jew they craftily hinted were synonymous. It was small wonder then that Germans had risen against a pending doom. Some day, it was hinted, we in America would be faced with the same crisis.

Their efforts were assisted by a large staff of less conspicuous "representatives." Every German ship landing in American ports unloaded half a dozen Nazi agitators and hundreds of pounds of Nazi literature. These agitators came in as enrolled crew members, jumped ship on arrival, and spread over the country with their message of racial and political hatred. German consulates received sudden increases in their staffs, men from the Propaganda Ministry. The German Consul-General in New York City was replaced by a highly situated National Socialist Party member. His principal task was to attempt to coördinate the various propaganda efforts being made, and to act as paymaster for many of them.

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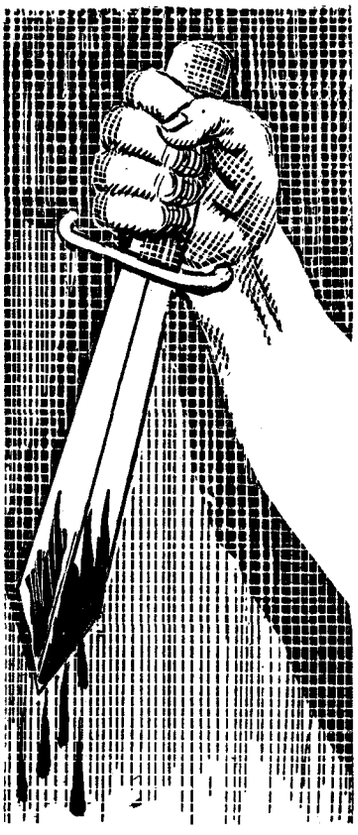
The first move of these men was to seize control of the German-American societies in this country. They carried it out with remarkable success and dispatch. Stolid, respectable German-American citizens, as well as German-born members, found their Turnvereins and Bierhalles quickly overrun with Hitler's emissaries. Men and women who had never given a thought to racial prejudice found their clubs and meeting places turned to platforms for denouncing all non-Aryans. Many members were as disgusted as they were surprised at the suddenness and apparent success of the move, and retired. Others, anxious for the fate of relatives and friends living in Germany, bowed to the onslaught and shouted "Heil Hitler!" or "Judëa Verrecke!" with the new leaders. There is no doubt the new leaders did a remarkably good job. Arriving totally unknown, and without previous contacts, they moved from one conquest to another. Their weapon was fear; their method, hatred.

And the victories were considerable in more than simply the achievement of propaganda. America has more than eight million German-American citizens, with almost two million of them of German birth. They represent a fairly prosperous cross-section of society, for Germans have done well in this country. The various associations they have formed are rich, with millions of dollars in dues coming in annually. In addition to seizing control of dues revenue, sizable subscriptions could be extracted from the members. True Nazi tactics were employed for this purpose from the beginning. As early as the first day of Hitler's accession to power, uniformed Storm Troopers appeared in German-American districts—complete with Swastika marked collection boxes. The notorious Heinz Spanknoebel went the rounds of German groups all over the country accompanied by S. A. men, who assisted in the voting on the issue of Nazi support. Members in opposition, or members slow to contribute faced the Storm Troopers' fists and blackjacks. Spanknoebel, claiming to be Hitler's chief American deputy, came very near to capturing complete control of the German societies, and was only forced out when the State Department took a belated interest in the legality of his presence here. German business firms were shaken down by the same process, a process of blackmail and intimidation on the best Hitler model.



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This achievement is not, of course, a German monopoly. Similar moves took place some years ago in the Italian-American groups. Blackshirt Italy, in spite also of repeated declarations that Fascism was a home product only, did not overlook a rich field here in the millions of Americans of Italian descent or birth. The campaign began as soon as Mussolini consolidated his march on Rome. Friendly societies, benefit organizations, patriotic groups—all were subjected to Blackshirt tactics in the move for control. The tactics foreshadowed those of the Nazi emissaries, with the single difference that Italian Fascism did not find it necessary to use racial hate in its campaign. Political hate and vengefulness, however, proved quite as effective. Fascist régimes or reactionary dictatorships in other countries have made similar drives on national minorities here—the Hungarians have a pro-Horty group, Polish communities are over-run with supporters of Pilsudski, even the martyred Armenians have brought hatreds from the homeland, one outburst ending in the assassination of the Archbishop of the Armenian church.

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But these ambassadors of ill-will have not confined themselves to their own nationals. They have made contact with our native entrepreneurs of hate. Here again the Nazi example is most instructive. As early as May, 1932, the American correspondent of the *Voelkische Beobachter* (Hitler's principal newspaper) was ordered to achieve direct liaison with local Fascist captains. Previously he had been merely an "observer." Finding the field at that time comparatively empty (this was before the rise of William Dudley Pelley, of the Silver Shirts) he set up an organization of his own, called the American Guard. Pretending to be an organization "to maintain, defend and advance American ideals," it was a cover for the statement of Nazi racial principles. It had another purpose as well, to raise money for its founder, Karl Lüdecke. Calling on "every American who loves his country, every Gentile man or woman . . . the noble men of New England; the strong men of the Middle West; the eagle faced men of the Sierras; the old Cavaliers of the South . . . awake and act!" he urged, "Let us join forces to defeat the *common enemy!*" The *"common enemy,"* of course, was the Jew and the Communist . . . and in the meantime; "Support of every kind will further our task. *Make checks or money orders payable to Swastika Press,* Brookline, Mass."

Herr Lüdecke's effort was abortive, for the American Guard received few contributions. But he carried out another part of his task with more success. Early in 1933, he began to get in touch with Congressmen. Representative McFadden, the fiery gentleman from Pennsylvania, conferred with Lüdecke. The results of this conference appeared in the tone of the Representative's subsequent speeches; they became suddenly and violently anti-Semitic. Representative Banton seconded Mr. McFadden on the floor of the House. Both men repeated the familiar Nazi attacks on Jews, McFadden in particular relying on the actual sayings of the Führer.

How much money passed through Lüdecke's hands to his contacts is not known. Late in 1933, in consequence of some Nazi heresy, he was recalled and put in a concentration camp. The good work went on. Colonel Emerson, the recently appointed "representative" filled Lüdecke's place as *Voelkische Beobachter* correspondent. He also established a newspaper, *Amerika's Deutsche Post* (with English supplement), which was wholly devoted to racial hatred. Emerson was managing editor, and ran the paper

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from a room in the German Consul General's office in New York. He took charge of the establishment of "The Friends of New Germany," an amalgamation of German-American societies. Meetings and lectures were held all over the country. The tone of every lecturer was rabidly anti-Jewish. No statement was too silly, vulgar, or false, if Jews were involved.

This did not make pleasant hearing. Repeated to the vomiting point at mass meetings, club evenings and through thousands of leaflets Emerson's style of race hate promotion roused the active protests both of Gentile German-Americans and non-Jewish outsiders. Propaganda Minister Goebbels was forced to recall him for further instructions. What transpired at the conference is not known, but when Emerson returned the tone was slightly modified. Meetings were held without armed and uniformed Storm Troopers present, and the lecturers' vocabulary was diluted with more genteel expressions. The underlying purpose of hate remained.

So did the desire for profit from the central source of funds. Mr. Royal Scott Gulden brought his Order of '76 into contact with Emerson. This organization, a semi-secret affair, dedicates itself to watching Communism—especially those notorious reds who are running the New Deal. William Dudley Pelley, whose Silver Shirts were launched the night of Hitler's assumption of power, also came in contact with the chief Nazi agent. Mr. Pelley ("Supernal Commander in Chief"—to loyal Shirts), was not only interested in selling shirts at $10 apiece, but he was looking for someone with a quarter million dollars to spend. "Give me" he had said, "a quarter million dollars to work with, all at one time, and I'll absolutely change the thinking of America, and bring back our fundamental constitutionalism in a matter of months. . . . In saying this, I have engaged in no idle boast. The quarter million is going to be provided, the revelatory literature is going out in sufficient quantities to begin the actual end of this nightmare." The "nightmare" was Jewish domination, the revelatory literature such stuff as the "Protocols of Zion," with fantastic accounts of Jewish ritual murder and the like.

Pelley and Gulden, together with several lesser known Fascist lieutenants, met in conference under Emerson's direction and worked out plans of attack. The plans were frankly provocative in character, and the formulators hoped, "in this way state and city governments will be aroused to suppress the Jew in the Communist movement." The slogan adopted for these attacks was "Kill the Nearest Jew!"

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The Nazi influence has gone further than direct contact with our native Fascist leaders: one more example will suffice to illustrate its spread. There is a well known Washington news-letter agency offering a weekly service to executives who like to read between the lines. Theoretically these reports are impartial. Actually they contain racial propaganda on the familiar model. A June issue, for example, begins with this statement: "More than 500 men and women have been placed in important (Washington) positions who are opposed to the Christian religion. . . . A large number of intelligent Jews see the handwriting on the wall, protest the opportunity offered to Nazi organizations, and say the large number of Jews in the government set-up should be reduced."

Propaganda costs money. No matter how great their admiration for the *New Germany* (or the *New Italy*, or for any other Fascist country which may hire them), its "representatives" require payment. Mr. Edward H. Hunter, who runs the Industrial Defense Organization of Boston, wrote to Colonel Emerson's "Friends of New Germany" to the effect that, given "sufficient financial backing from Germany" he would be glad to do his bit in the campaign of hatred and persecution. Mr. Hunter knew a good thing when he saw it. And things were good. Before the recent reductions ordered by Economics Minister Schacht (the extent of which has not been announced), Dr. Goebbels' office was spending 80,000,000 marks a month on foreign work. Much of this sum came to America, where an alert publicist with a talent for Fascist organization could hope to intercept some of it.

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It seems strange and annoying that America should be subjected to this flood of propaganda violence and attempted political terrorism. Why, we are entitled to ask, must we have European hates and conflicts forced upon us, when all we desire as good Americans is to be let alone? The answer is simple. America is a rich country. It possesses a large foreign-born and foreign-descended population, much of it organized in national clubs, societies and associations of various kinds. To the European eye, these groups, and the population as a whole, possess an unlimited capacity for spending, if their interest can be roused. And it must be admitted that we have a great appetite for things European. In spite of 100 per cent Americanism, we take a large amount of political and social thought from Europe. To an ambitious Fascist leader, there is no reason why we should not import racial and political hatreds as well—with himself as broker. And the local Führers can play the game two ways—they can put themselves on a foreign payroll, while they pick up what money there is in selling shirts, memberships and commissions in their own outfits.

Another feature of the traffic in imported hates is also irritating to the American public. This is the fact that frequent clashes occur between foreign-born or foreign-descended Fascists and anti-Fascists, or between native Communists and German Nazi sympathizers, or Italian Fascist supporters. Every so often the streets of our bigger cities are cluttered with a succession of these rows. An Italian band, billed as "Mussolini's favorites" visits New York, a strong demonstration of anti-Fascists meets it at the pier, parades outside the theatre where it is playing, and generally makes the night hideous with protest. Hans "Putzi" Hanfstaengel attends a class re-union at Harvard, and liberal and radical students do their best to make him and the authorities uncomfortable while he is here. Even the dedication of a statue to Kossuth was made the occasion of a fist fight between pro and anti-Horthy dictatorship factions, with the Mayor's fine speech interrupted and the solemn platitudes of the notables drowned in the uproar. Police have to be called out to preserve order—which they do by clubbing and arresting all the anti-Fascists they can reach—and the city is put to considerable trouble and some expense to quiet the disturbance. Again Americans are entitled to ask, why must we have this alien trouble forced on us? Surely these people, living in our country, should leave their foreign quarrels at home, and not disturb honest citizens with their bickering.

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The answer to this question is not so obvious. We already have the foreign Fascism, with its imported hates and bitterness. In addition we have our own varieties. The Silver Shirts, the Khaki Shirts, the Ku Klux Klan, the Crusaders for Economic Liberty, the Order of '76, are all Fascist organizations, building their power on hatred, cruelty and violent repression. There is no lack of native Leaders who model their tactics and their ambitions upon Hitler's and Mussolini's example. Fascism cannot be met by argument and appeals to law. It responds to only one opposition—force. The Social Democrat government of Germany preserved a gentleness that was nothing less than criminal in its attitude to the Nazis. The result, when Hitler came to power, was its own destruction, together with the democracy and class collaboration it had maintained. Peace loving souls who favor strict non-interference with the Fascist spellbinders here, both native and foreign, are making a fantasy of free speech and liberalism that favors Fascist growth as nothing else, aside from economic conditions, can favor it.

The Fascist leaders here are in touch with their prototypes abroad, taking advice, orders and financial support from them. We are accustomed to denouncing Communists for connection with Moscow, and we deport them when they are not citizens. No Nazi or Italian Blackshirt has yet been deported for advocating the otherthrow of our political system. Remarkably few of them have even been arrested for disturbing the peace, though their propaganda and their tactics are as violent as any.

It is true that we have been enjoying a Congressional investigation of "un-American" activities. Under the direction of Representative Dickstein, the committee has unearthed a tremendous body of evidence to show that foreign Fascist groups are working here for the destruction of democracy and the setting up of their own brand of autocratic rule. Considerable flutter is caused when the newspapers find some particularly flagrant violation of the spirit and hospitality of our country in the committee's press releases. Representative Dickstein's committee has been meeting now for some months. Dozens of shocking revelations have been turned up. Nothing whatever has been done about them. The committee talks vaguely of possible legislative action. In the meantime these foreign groups go on with their programs of violence and terror, preparing the way for the coming boom in hate. The fact that they are being investigated does not abash them. At a recent hearing on Nazi activities, the committee room was packed with Storm Troopers—out of uniform this time—who shouted down the proceedings and booed, stamped and shook their fists at the committee members.

The truth is that Fascism in this country, as in any other, is not an issue that can be met by committees. It cannot be met by legislation prohibiting the wearing of uniform or the drilling of Fascist followers. It can only be met by a sincere and *successful* effort on the part of the state to provide everyone with work and a decent living. We are far from even a beginning on that concept now.

It is the essence of Fascism to couch part of its appeal in falsely revolutionary language. It pretends to plan an attack on vested capital, on bankers, "usurers," trusts and the like. In this way Fascism diverts the discontent of the masses into the lines safe for the interests it really represents because it always pictures the banker, the usurer, the monopolist as the Jew—and then offers only poor Jews, communists, and radicals generally as victims.

The only successful oposition to Fascism is mass opposition. Fascism itself is a mass movement. It cannot be countered by individual opposition alone. Organization, publicity, and the demonstrating of anti-Fascist strength are required. Already a beginning has been made along such lines. The second annual Congress Against War and Fascism assembled in Chicago with delegates from more than a million and a half members of trade unions, political parties, educational, religious and social groups. A dozen or more organizations have been formed whose sole purpose is to combat Fascism. It is a real and critical issue. However much we may dislike the importation of Fascist hates from abroad, they are with us now and must be repelled before they ally themselves with the native varieties for the destruction of all our liberties.

Government has seen fit to do almost nothing for the suppression of Fascism. Much of its economic and social policy favors its growth—inflation, monopoly, the smashing of legal strikes, the denial of civil rights. This is the atmosphere Fascism, either native or foreign, flourishes in. The racketeers and demagogues who offer themselves as leaders know very well how to take advantage of it. If the only active opposition to them comes in the form of fist fights and street brawls, we must at least recognize it as opposition. More of it, with governmental firmness, would have saved Italy and Germany from terrorism, autocracy and social and cultural degradation.

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Economic War Reports

Compiled by Edward H. Collins

American Front

DURING THE LAST FEW WEEKS we have seen the first visible effects of the latest major offensive by the United States in the world economic war. China, upon which the full effect of our silver buying campaign has fallen, has at last retaliated. First, it entered a formal protest against our policy of raising silver prices and draining off its monetary stocks, adding that if we were determined to drive the country from the silver standard, it would appreciate it if we would pay for the silver with gold, thus letting China have a try at the gold standard. Our Government, in replying, ignored the gold exchange suggestion, while as to its silver purchases, it pointed out that they represented a "mandate" from Congress, hence the Treasury was not authorized to abandon them, however much it might wish to do so. As soon as it received this ultimatum, China announced that it had placed a 10 per cent export tax on silver, along with an "equalization fee." The net effect of this was that silver exports were virtually embargoed by China, and that China had, *de facto,* if not *de jure,* stepped off the silver standard. Now, if the effects of this latest piece of currency bungling halted even with China, it would not be so bad; but China's decision to go off silver brought a drop in Chinese exchange, Japan immediately dropped the value of the yen, and in the Western hemisphere the *gold bloc* currencies were seriously shaken. What the end of this particular battle will be, no one can say at this juncture; but it is clear that our latest childish prank in the field of currency has resulted in once more upsetting an international exchange balance that had been more or less steady for several months.

French Front

WHILE THE REPERCUSSIONS of our newest offensive were being heard around the world, a new and important defensive maneuver was being undertaken by the *gold bloc* countries under the leadership of France. Representatives of France, Belgium, Italy, Poland, Switzerland, Holland, and Luxembourg, meeting at Brussells, laid down preliminary plans for mutual trade protection against the nations with depreciated currencies. The general program calls for a series of bilateral accords, which will link the group in a sort of loose economic and currency union. France, which by the nature of the situation, will have to give up more in the way of trade concessions than she gains, had been reluctant to form such a union up to now, but she has at last been convinced of its wisdom, partly in the hope that it will mean a general enlargement of foreign trade, and partly because of the political importance of binding these nations to her by economic ties.

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Canadian Sector

THE NEW DEAL, as put on view by the Roosevelt Administration, numbers no warmer supporters than the Canadians. Washington's anti-Wall Street drive has made of Toronto a first class speculative center and driven to Montreal the principal silver futures market on this continent. In the year ended August 31, Canadian exports to the United States increased 36.7 per cent, compared with an increase of but 28.8 per cent in exports to all countries and with a rise in imports from this country of 31.2 per cent. Thus the United States was an important factor in the 25 per cent increase in Canada's favorable balance of trade in the year. So far as the rest of the world is concerned, Premier Bennett has recently concluded a trade agreement with France, calling for Canadian tariff concessions on wines, liqueurs and champagnes, for protection of trade marks on wines and for a reduction of from 10 to 33 per cent in the import duties on French cheeses, dried mushrooms, perfumes and cigarette papers. France has granted to Canada the minimum tariff on lead, certain agricultural products, woodwork, shoes and whiskey, has suppressed the exchange surtax and has established quotas for certain Canadian agricultural and manufactured products. One effect of the agreement is to reopen in Canada the market for lead and zinc, closed for the last two years because of France's inclusion of Canada among less favored nations.

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Belgian Front

THE MAIN PURPOSE of the Continental *gold bloc* is to "do something" for Belgium, a country hard pressed by the decline in its foreign trade from 34,000,000 Belgian francs to 14,000,000 last year. The budget is woefully out of balance and the strength of the government to effect the economies necessary to strike a balance between income and outgo has been called into question. The problem, of course, is largely one for the French to solve, but in a sense it touches the entire gold area, as one break in the solidarity of the gold countries would increase enormously the difficulties of those endeavoring to avoid devaluation. Accordingly, France is already preparing to make concessions to Belgium on the price of silk, wool and certain agricultural products. Negotiations between Paris and Brussels toward that end are

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well advanced. The September and October conferences of the *gold bloc* nations grappled first with the Belgian situation. There are certain small things which this mutual aid society of gold countries can do, such as establish closer relations between central banks in the several nations in the group, give preferential trade treatment to one another, and encourage tourist travel in the *bloc* by reductions in fares, etc. But the only obstacle to a united front of the gold countries against the rest of the world is that, singly and collectively, they are not economically self-sufficient in spite of the French, Dutch and Belgian colonial empires. Unlike the sterling area and the United States, the gold countries must import raw materials. The *gold bloc* plight is made more severe, too, by the habit of the depreciated currency countries of seeking a still lower gold value as soon as the gold area gets accommodated to any particular level.

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Italian Front

THE CHANGE which has come over Italy in the last year is emphasized by the fact that Mussolini was only too willing to participate in a *gold bloc* economic conference at this time, whereas at London in June, 1933, he was unwilling to enter into any trade agreements with European gold standard countries as a group unless Germany was included. Germany is still outside of the conferring group, but now Italy is very much in. After Italy saw that the old free market trading principles were out of date, it moved rapidly to modernize its business methods. If agreements with other countries were essential to exchange of goods, then Italy would bestir itself to get trade treaties. No country has been more active in this line lately. Trade agreements have been reached recently with Portugal and Mexico, while a special and comprehensive arrangement has been agreed to with Bulgaria. The way is being cleared for a trade compact with Rumania, and negotiations are in progress for an agreement with Australia. An Italian trade delegation has just completed a swing through the Baltic countries. Ambassador Rosso has asked the State Department at Washington to begin, with the minimum delay, discussions looking toward a trade agreement. It is said that Italy would like especially to get preferred treatment for its raw silk. The Italian government's drive to replace women with men workers has taken the form in the textile trades of a ruling that men shall form a minimum of 30 per cent of all employees. Women now constitute upward of 90 per cent of the textile trade workers.

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German Front

DEVELOPMENTS AFFECTING GERMAN TRADE come as fast as acts in a three-ring circus. The most significant feature of the recent trend is the denunciation by Germany of its nine-year-old commercial treaty with the United States and the failure of Germany to treat American holders of Dawes bonds as well as those of other countries were treated. The extent of the cash payment on the October 15 Dawes bonds coupons in the United States was 50 per cent, but in other countries the full cash payment was made. The discount on registered marks has fallen to 55 per cent, though, owing to new restrictions, this very cheap mark is not allowed to help exports of German goods but must confine its stimulation to the export trade. German foreign trade, now degenerated to a war of reprisals, was less adverse in September, the excess of imports over exports being only 2,000,000 marks, against 9,000,000 in August and 41,500,000 in July. A special committee has been appointed by the American Chamber of Commerce in Germany to promote barter trade and liquidation of American blocked mark accounts through delivery of German goods. Amusingly enough, German exports to Palestine have risen more than 60 per cent under the anti-Semitic Hitler regime. A roundabout plan has been devised for the purchase by Germany of about $3,000,000 of Jaffa oranges, involving London as an intermediary in the plan. Germany has succeeded in winning away a diamond cutting factory from Antwerp. It will locate in Hanau. Germany has for some time been trying to get some of the diamond business for Hanau and Idar-Oberstein.

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Japanese Sector

ADDITIONAL DATA on the capture of foreign markets by the industrious Japanese have come to hand. The suffering nation is this time the United States. The Textile Export Association states that in 1932 Haiti imported 13,859 packages of cotton goods from the United States and none from Japan. In the first eight months of this year, however, Haiti imported only 1,300 packages from the United States, as against 15,000 from Japan. Importations from Japan in September rose to 2,993 packages. The association claims that the situation in Haiti is no different from that in any other Central or South American country. After getting a foothold in Haiti at the expense of American textile exporters, Japan is repeating the process in Cuba, Central America, Argentina and the west coast of South America. This textile export trade with the countries to the south is permanently lost unless the government can find some way of helping the exporters, it is claimed. There is the case of Peru. Japanese exports to Peru increased from 2,361,718 soles in 1930 to 5,277,369 soles in 1933, and in the first seven months of 1934 the total was 5,015,624 soles. Peruvian exports to Japan, though, were only 1,125,233 soles in the first seven months, against 999,100 in 1933. In keeping with the spirit of the times, the Peruvian Foreign Office has denounced the commercial treaty with Japan in an effort to obtain another agreement that will give Peruvian exporters by governmental aid orders which Japanese traders were able to get solely on their own hook.

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British Sector

WHILE THE UNITED STATES GOVERNMENT is considering ways and means of starting a boom in the building industry, England finds itself in the middle of one. In the case of England, however, it is not a publicly, but a privately, financed boom, and it constitutes one of the chief reasons why England is much farther along the road to recovery than is the United States. In 1933, it is estimated, more than a quarter of a million new homes were built, and this year the figure is expected to be nearer 300,000. Whether the movement in its present form carries on through next year is not particularly important, for by that time the Government's own slum clearance plan will be underway. The boom is confined almost entirely to small houses, ranging in price from $2,500 to $4,500—houses which can be paid for over a long period of years after a down-payment of as little as $200.

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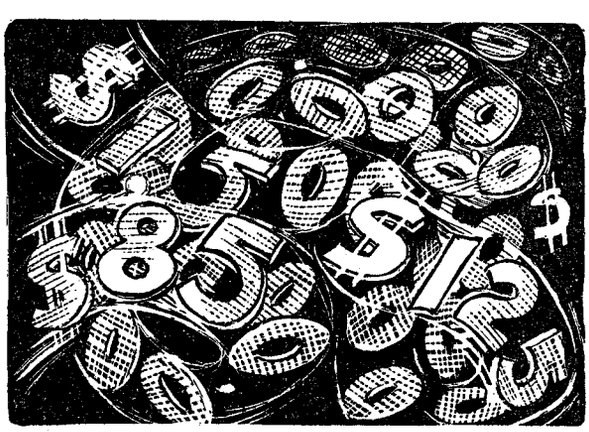
The Spenders

by E. W. Adams

Much is heard of government spending for relief and for recovery, but who are the spenders? They are the men and women who comprise the personnel of a new bureaucracy which has sprung up in every state.

THE amounts are inadequate, but the figures are large. The RFC loaned $300,000,000 to various states and to various counties for relief purposes. The CWA spent approximately $850,000,000 in its four and one half months of existence. The FERA has spent more than a billion dollars since its creation on May 23, 1933, and this organization is now spending at the rate of $125,000,000 per month, which is at the rate of $1,500,000,000 per year. These are dizzy figures and can only be spoken with ease and the proper flourish by Mr. Morgenthau's dizzier miracle men. However, when broken down they do not look so formidable. There are almost seventeen million persons on the relief rolls to absorb these millions of dollars, but since we have no way of knowing administration expenses, overhead charges, etc., of the FERA, we must turn to their own reports to find an analysis of these figures.



These FERA reports come out monthly, but like a corporation balance sheet which shows red, they are always several months late. The last report showed that the average monthly amount of relief given to a family was $17.93, and showed that this varied from a low of $6.90 in the State of South Carolina to a high of $37.20 in the State of New York. It also showed that the monthly amounts given in the different cities varied greatly; some are as follows: Knoxville, $5.65; Birmingham, $8.20; Seattle, $10.64; San Francisco, $16.81; Indianapolis, $15.29; New Orleans, $26.73; Chicago, $26.67; Boston, $35.68; and New York, $42.70. These figures represent the average monthly amounts given to a family, not an individual, and the average relief family consists of about five persons, which shows that these sums cannot be called luxurious although the grand totals look as though they might indicate some such fact.

These millions being spent will mean higher future taxes, a none too delightful outlook; but when we look at the whole picture, the high taxes, which seem so inexpedient to us now, fade into the distance. Almost seventeen million persons, 13.5 per cent of the population, are on relief, and much of the future happiness and stability of the country depends upon the way these people are treated today and for the next few years to come; their numbers are too great to be ignored, to be merely fed, clothed and sheltered. England has experienced more than 500,000 cases of unemployment shock, a sickness similar to shell shock, among the men who have been on her dole for several years. America does not want that, nor do we want a shiftless lot of loafers, nor a group of half starved citizens.

At the present time all of the states are partially or wholly dependent upon Washington for relief aid. In granting such aid to the states, the FERA has had each of the states set up a state ERA to again distribute the allotted money to the public relief organizations in their various political subdivisions, thus better coördinating these scattered, independent and inefficient existing relief units. Although these state ERA organizations are now more than a year old, most of them are still in their embryo stage and show a remarkable dilatory growth in respect to establishing efficient and sound personnels and business-like methods. In this matter the FERA has not aided greatly, as Happy Harry Hopkins and his Washington satellites believe in a decentralized organization and do little besides entrust the various states and through them their respective city and county administrations with the Federal funds for relief purposes. They furnish these administrations with only a bare outline of procedure and with but few dogmatic rules and regulations. This throws the burden of responsibility on the states, and whether the money is being spent advantageously and efficiently depends on the strength of the various local administrations, the local political influence and the exerted local public opinion.

Lately the personnel problems which the New Dealers have had to face have been one of their most perplexing

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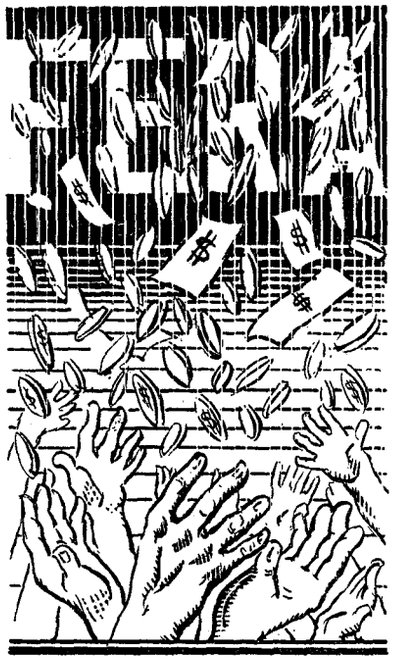
problems, but they, as a rule, have only been worried about their Washington personnel, not about that of their various lesser state organizations. They have run under the false assumption that if a concentration of brains is used in the development of plans, then the others can carry them out easily. They forget that there is always a big gap between theory and practice, between the plans and the final product, that sound supervision never stops at the top but continues down the line until the job is finished. They well know that a skilled architect would not make plans for a skyscraper and then turn them over to an incompetent and inefficient contractor for construction, yet in spite of their knowledge they are going along in their naive way intrusting the Federal money and their momentous and egregious plans to the various state administrations without a great deal of overseeing, trusting that these organizations will prove honest, efficient, obsequious and enthusiastic enough to carry out their plans as they desire. This is one of the weak places in the FERA, and for that matter in most of the New Deal organizations, and during the coming "second effort" of the New Dealers they must have a closer coördination between the Washington offices and the field if their plans are to prove of any value whatever.



This is strongly brought out by conditions in the states which are letting the Federal government take care of the whole relief job. Nineteen of the states receiving Federal aid have pleaded guilty of near financial embarrassment and insufficient funds and have not advanced any relief money themselves in the past few months, although in all cases some of their lesser political subdivisions have aided financially in their own local problems. In these cases the problem is one of spending "other people's" money, and when this is Federal relief money it seems to take on certain airlike and multitudinous qualities. The result is that the state organizations, instead of effecting economies within their own ranks, tend to call for more Federal "relief aid" to cover their own weaknesses and inefficiencies. True, the Federal relief money comes from taxes, but many of the state and county relief administrators have not been schooled in the politician's realistic outlook on this, his most lugubrious, unpopular, and uncomfortable subject. If the state officials are none too watchful, and in most of these cases they are not—it is not (directly) the State's money—and if the checks and inspections from Washington remain as infrequent and superficial as they now are, laxity, inefficiency and slowness become the rule of the day under the average administration. In most of these cases it is not so much a matter of shiftlessness on the part of either set of officials as it is a matter of misplaced faith and misunderstood plans.

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The Washington officials rely too much upon the states, and the state officials and also the general public too much upon Washington. There are, of course, exceptions. The State of New York, the former experimenting grounds of Mr. Harry Hopkins, is one of the more efficient in its treatment of relief problems. This treatment varies from that of former Police Commissioner Major General O'Ryan's violent tactics of dispersing relatively harmless crowds of relief "clients"; to the fact that this state, in spite of its ever increasing financial load, gives the largest individual relief benefits. Its interest is further shown by the action taken by Governor Lehman in his appointment of a committee to investigate the problems of caring for the unemployed on relief which is to make recommendations for the establishment of a permanent organization to take care of these problems.

Too much emphasis cannot be placed upon the fact that the spending of these millions is mainly an administrative job, and that such an organization is as strong as and no stronger than the men in it. In fact this job is unusually difficult as there are no concrete measurements that can be taken which will show whether or not a state or local relief administration is doing an excellent or a very poor job. They have no accounting records which show a profit or loss, no machines to keep running, no sales quotas to fill. They have the distressed to take care of on a limited amount of money, and although they can compare their administrative expenses, relief per person, etc., with those of their neighboring state or county, they still do not know whether this neighboring state or county is doing a good job, or whether it is logical for them to use such a guide. This means that the administrators have few direct or indirect motives driving them to do more than a mediocre job, that the entire strength of the organization lies in the strength of the personal qualifications of the administrator and his staff of assistants—their integrity, initiative, judgment, coöperative ability and foresight. In other words the handling of millions of dollars per year and the care of thousands of the unemployed on relief is not a small job, and it is not one that can be handled adequately in merely a given routine manner.

These points were generally overlooked when the State Administrator was appointed. The politicians or the committee who appointed the administrator and his assistants for their states, believing that this would be but a cut and dried job lasting for a little more than a year at the most (such was the accepted thought in the summer of 1933), generally looked to the man's honesty in money matters as the most essential qualification. And although most of the appointed administrators have performed their duties well within the limitations set, few of them have done any real creative and constructive work, and many have allowed their organizations to run very inefficiently. In most cases, whether good or bad, efficient or inefficient, the state and local officials who were first appointed are still in command today.

On the inchoation of the state ERAs, and more especially the State CWAs, certain prominent, well qualified, and public spirited citizens were persuaded to lend their services to the cause. These men, many of whom gave their entire time to this work, aided these organizations greatly;

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in fact, in some cases, they were the real backbone of the organizations and were the real reason for what early success was accomplished. However, these men have now returned to their private professions, and the State ERAs are now being run almost entirely by the salaried men and women who obtained positions with these organizations when they were first started. These men and women were as a rule not an unusually well picked group, as they were chosen hurriedly and for what was contemplated to be only temporary work. The fact that these organizations were set up on a temporary basis has been, and still is, one of its weakest points. Although most of the men in these organizations know that the work will continue for some time in the future, there is that atmosphere of uncertainty, which has not been erased by official orders from Washington, although Mr. Hopkins has often admitted that his organization will last for several more years as a minimum. This uncertainty affects both the conscious and unconscious mind of all the workers, and is shown by the fact that although most of the assigned and routine work is performed efficiently, no or very little thought is given to the future, few long term plans are thought out or instigated. This condition is also reflected in the fact that most of the men, including some of the executives, are on the look-out constantly for more remunerative and steadier positions, and although none will blame them for this stand, it undoubtedly weakens these organizations.

At first much of the inefficiency, waste and general awkwardness of the CWA and ERA organizations was blamed on the haste of the work, its newness and the lack of definite orders from Washington. However, now that the haste is past, the newness worn off, these excuses are no longer justifiable, yet it is surprising that much that was at fault at first is still at fault today. Part of this is shown in a certain lack of coöperation between departments which is noticeable in many regional offices. The engineering, purchasing, accounting, social service departments often function well as such, but the executives have not coördinated these departments and each insists in running his own individual circus. Consequently much work is duplicated and many of the lesser satellites are constantly confused on whose orders and what policies to follow. This fact is not surprising as the past work of these executives has been foreign to each other's, and many of the administrators have allowed themselves to be too engrossed in details to see these faults or, at times when they have seen them, they are unable to make the proper eliminations because of "political reasons."

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When we go further into the situation we find that the largest per cent of the relief money is going to the men on Work Relief Projects, and here we find one almost universal complaint which is that the men on these work relief projects do not work—that there are always twenty men to do a five-man job. In spite of the orders from Washington and from some of the State Administrations stating that the persons on relief should give real value in return for money received, and in spite of the fact that the men on these projects are being paid the local, and even sometimes higher than the local, standard wage for the work they are performing, these complaints are all too true and they reveal the fact that certain weaknesses exist on these work relief projects. Not a few of these projects are sound, some are accomplishing excellent results that will greatly benefit the local community, practically all of them are better than the old type of made work—"raking leaves around a stump." They cover almost all fields of activity—repair and maintenance of public buildings, roads, bridges, recreational facilities, the eradication and control of disease bearers, the sewing of garments, canning and preserving food, nursing, research surveys, etc.—and a man or woman who has been forced by circumstances to apply for relief is placed in a position in his own trade when this is possible.

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However, it is a rare relief project which has any enforceable time limit placed upon it. The work can be done in two months or four months, the first to no one's credit, the last to no one's discredit. It is very natural in such circumstances for the local projects engineer, the FERA representative on such work, to become lax, to allow things to drift. The project engineer may have started out with ambition; but his fast work at first was not noticed, his slow work later not damned, so after all, in his own language, "What the hell," and he lets his work take its own course, at times good, at other times poor. He also realizes that although the local standard hourly wages are being paid, the total hours worked per month are so small that the men on these projects only receive starvation wages; and he soon finds that it is impossible to work his men hard under such circumstances.

In this matter Mr. Hopkins believes, and rightfully, that all able-bodied men should work for the money or kind (groceries, clothes, shelter) given them. That this work, being of a real and useful nature, will keep up their morale and self respect, keep them physically fit and keep them busy. Also the work accomplished by these men should be of value to the local community and give the taxpayers something tangible for their money even if that something, as is often the case, is nothing the community really needs. However, the laxity with which much of the work is being accomplished and the small total wages being paid is making many of the men on relief work, even the formerly energetic and ambitious ones, shiftless, incompetent and lazy; and it is causing many people, who do not know the facts behind the work, to believe the recent often repeated saying that "the government is putting those men unwilling to work on relief rolls." Some of these weaknesses could be eliminated if the jobs were better estimated, had reasonable and enforceable time limits placed on them, had a final and detailed check as to cost and further had better field supervision from the state offices. There is no doubt that much of the work is good, but there is also no doubt that most of the work could be increased by 50 per cent. Looked at purely from a construction point of view, it is indisputably a gargantuan mess of inefficiency.

One other weakness which is seen in some of the states is the fact that the ERA organizations are dominated by that naive group of pre-ordained spinsters known as Social Service Workers—the Ann Vickers among them are few and far between. These women workers freely admit that relief is merely a matter of so much case work and feeding so many mouths. Their training has not changed greatly in the past five or six years; and they do not seem to realize that the problems today cannot be met by a

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Outlook Book Choice of the Month

Reviewed by Robert Cantwell

THE PROUD AND THE MEEK. By Jules Romains. Translated by Marre B. Wells. $2.50. Alfred A. Knopf. 554 pp.

FOR THE PAST TWO YEARS the literary world has been upset by news of a momentous event: a distinguished French novelist announced that he had set about composing a masterpiece, parts of which would be published immediately. The author was Jules Romains; the masterpiece was to be a novel of indefinite length (perhaps twenty-five volumes) called "Men of Good Will"; it was to present a picture of our times, to illuminate the whole social structure. Romains believed, he said, that a novel built around one character, or around one group of characters, or a family, was artificial. Perhaps in the past the practice of interpreting the world through the eyes of one individual, and of seeing events as they affected him, was satisfactory, but with the society as complex and inter-related as it is now, the form was inadequate. "Men of Good Will" was to be an attempt to work out a different form: in the course of it hundreds of characters were to be introduced, various developments followed, in accordance with a plan which would not be immediately apparent to the reader, but which had been worked out in advance.

Six volumes of this work have now been translated. Though "The Proud and the Meek" is volumes five and six of the larger novel, it also has validity as an independent work, more so than the previous volumes because the attention is concentrated on a few characters and the narratives are sustained with fewer interruptions. The purpose of Romains' novel, its whole broad scheme, is no more apparent than before, but it is growing decidedly more interesting. In the early volumes of the novel, characters from different levels of Parisian society were introduced—a murderer, a politician, an oil promoter, a student—in chapters that were related, it seemed, only in that they were all laid in Paris at the same time.

In the following books the connections between the characters were shown more clearly, and out of the hundred or so involved, certain careers and developments were plain: the murderer became a police spy; the politician, Garan, became more deeply involved with the oil promoter, and accepted a post on a newspaper the latter financed; the threat of war dominated the scene and under that threat individuals made decisions they might not have made in less tense periods. "The Proud and the Meek," while many of the figures who bulked large earlier in the novel appear, is concentrated on five characters: Madame de Champienais and Roger Sommécoud, whose love affair reaches a climax; Haveakamp, a dealer in real estate; Louis Bostide, the son of an unemployed worker; the Abbé Jenne, a priest who works among the poor.

It is impossible to do more than suggest the diversity of their activities: the love affair develops normally, uncertainly, with the lovers facing a crisis when Marie discovers that she is pregnant; the attempt of little Louis Bostide to comprehend what has happened leads him to some juvenile attempts to help his parents, and to some adult intimations of class-consciousness. The promoter builds and strengthens his business and becomes involved in a scheme for exploiting the mineral waters of a spring.

These stories are simple and interesting; the love affair of Marie and Roger is often moving. But the real value of this novel is not in the individual careers, and not in the details of the situations, or in the author's comments about them. More and more, and particularly in "The Proud and the Meek," the simple scope of the work to which M. Romains is devoting his life becomes absorbing; reading it becomes an experience increasingly intricate, sometimes baffling, but above all unprecedented. The way these characters move through the tangle of purposes, moods, necessities, takes on an excitement quite apart from their particular stories; you see them approach one another and draw back, then grope toward some other contact, pick up a bit of understanding from one individual, develop a prejudice from contact with another, and their minute-to-minute reactions assume a dignity and significance that no other novelist has shown us.

Romains is giving us a novel about the little things, the fleeting emotions that pass through a man's mind as he walks down the street or discusses business or does any of the casual acts that crowd a normal life, and he is trying to establish the connections between these momentary events and the historic events of the period of which he writes. So in "The Proud and the Meek" the demonstrations in Paris on May Day, 1909, color the relationship of the lovers as their love affair is endangered, and at the same time add to the accretions of ambition in the politician, Garan. The influences, mysterious, invisible, seem to be working constantly to bring this extraordinary crowd together; the most childish reflection of the poor boy seems somehow connected with intrigues of the promoter or the increasing self-deception of the politician whose life is spent at another level. Sometimes the connections seem strained. Too frequently, from my point of view, Romains senti-

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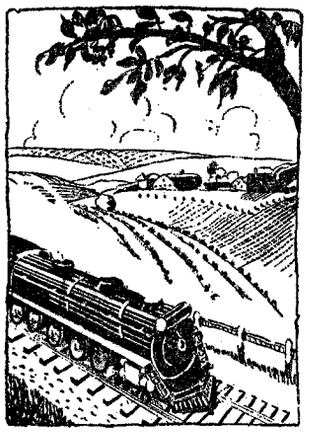
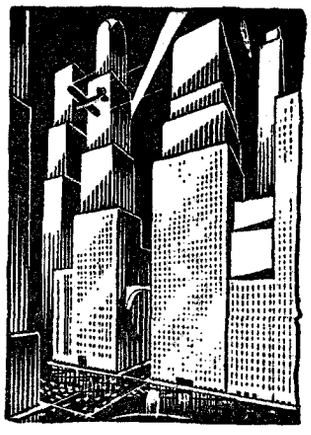


Talk of the Nation



Progress Reports

ON A NEW DEAL FOR NEW ENGLAND HUNTS: Up Massachusetts way there is a foxhound hunt pack which has taken to being chased by the fox. Considering the current state of the nation, it at least sounds consistent.

ON THE FUTILITY OF IT ALL: No sooner does a bright young pilot inbound to the seemingly future land of EPIC demonstrate the ability of an eight-ton passenger airliner to dodge flaming meteors than the experts at Mt. Wilson Observatory report the existence, a little further out in interstellar space, of masses of meteors so hot, so fiery that they appear only as blue-black blotches and are invisible in a night-filled sky.

ON HIGHER EDUCATION: Perhaps because this department has lost recently —quite recently—its franchise to play with the new younger, *younger* generation, we naturally view with considerable alarm and are irrevocably committed to the bright, new conviction that the said younger generation has gone soft beyond all hope of regeneration. Anyway, the authorities at Princeton, in regulating the future actions of the bell at Nassau Hall, seem to have given up before the inevitable. Time was when the bell was tolled at 5 A.M. to rouse the future alumni. Then someone got soft-hearted and ruled that silence should reign over old Nassau until 6 A.M. But a hundred years ago the softening influence set in, in earnest, and the time for the awakening bell was postponed until 7 A.M. This year's rule: "Hereafter the bell will be silent until 8.30 A.M."

And from down Oklahoma way comes the announcement from Walter Scott Athern, President of Oklahoma City University, that serious consideration is being given to the proposal that in the future the university give academic credits for ping-pong, archery, fraternity and sorority membership.

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Old Bottles

ABOUT THE MIDDLE, we should say, of what has facetiously been referred to as the Prohibition Era, the ancient and honorable craft of printing formed in sub-rosa fashion an extremely lucrative alliance with the ancient and honorable business of glass blowing. The result was that although great masses of the thirsty no longer believed the one about, "Just right off the boat," and further although ninety-nine and forty-four one hundredth per cent of all alcoholic beverages consumed in those years in the United States might have been distilled on the premises they always came out of properly labeled bottles, long standard in legitimately wet lands and recognizable by an older generation as genuine containers. Repeal day—the day the Utah convention voted in such high-spirited haste—the greatly successful business of copied containers stopped dead in its tracks.

Many of the post-repeal state regulations for the liquor traffic were extremely makeshift affairs. It was not until late spring and early summer of this year that many of the states' lawmakers got around to realizing that in the liquor business there is such a thing as an "empty," and many of these being sold legitimately enough by café proprietors and other dispensers of alcoholic beverages to second-hand dealers were finding their way back into the still extremely large illicit liquor trade of the country. What to do about this? With their faith in rules, the state liquor boards decided that all that was needed was another law. In most cases this law says that whenever a bottle is finally emptied, it must promptly be broken by the proprietor or the bartender in the presence of the then conscious customers. It's quite a little ceremony, the tinkling of broken glass adding just the right note to many a celebration. Most legal and licensed café proprietors enjoy putting it on: it's a kind of a public confession of their honesty, lends tone to the place. So great is their honesty, so regular is the ritual performed, that it is once again becoming profitable for the ancient and honorable craft of printing to re-establish its nefarious alliance with the ancient and honorable business of glass blowing.

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Old Papers

THE LARGEST DOOR IN THE WORLD, its two portals weighing ten tons each, recently was delivered by a Cleveland firm to the new National Archives Building which is scheduled to be opened next month in Washington. The portals, each thirty-five feet high, nine feet wide and a foot thick, are to guard the store of public records to be culled from the various government departments and given a permanent home in one building.

Up to now it seems our national archives have been without a fitting home. The neglect accorded the public records, their consequent deterioration and loss through fire and theft, has formed the subject of several despairing yet hopeful polemics on the part of library and archive authorities. Library officials first took up the cudgels some thirty years ago in the movement to procure a suitable building, but encountered little more than unfulfilled promises until provision was made in the Public Buildings Act of 1925 for a National Archives Building to cost not more than $8,750,000. The recent Congress completed the work of legis-

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lation by providing for an archives administration.

This latter measure was something of a compromise between a bill introduced in the House by Congressman Sol Bloom and the one brought before the Senate by Senator McKellar of Tennessee. Library of Congress officials favored the latter, the main issue at stake being whether the national archivist should have a free hand in the selection of whatever official papers and records he might choose for preservation in the archives building. The McKellar bill followed British precedent, for in England the keeper of the national records may requisition any non-current documents that he pleases. But Congress refused to grant such powers here. For while our National Archivist—who is to be a Presidential appointee at a salary of $10,000 a year—is given full power to inspect any government records he wishes, he must secure the permission of the National Archives Council, so-called, before selecting them for the archives.

Among those who are to serve on the Archives Council were included the secretaries of each government department, and thus departmental control over the official records is not yet relinquished. Objections to this feature of the bill, which may serve as a basis for future legislation, took the ground that most of the department officials had been careless in the keeping of records left in their charge, that they had nothing to do with the origin of historical papers, have had no special training in archival work, and in fact know little about the records within their own departments or how they should be selected. In short, archival work, it was argued, lies entirely outside their province. It was pointed out, too, that committee rule had hampered the development of the Library of Congress for nearly a century, until 1897, when full control was lodged in the librarian.

But department and bureau officials who exercise control over records are naturally loath to relinquish such powers, and it was this human propensity, translated into argument, that Congress recognized rather than the pleas of archives authorities from the Library of Congress. The McKellar bill did go far in creating an archives establishment which shall exercise expert supervision over our national records. For since the first report of the Public Archives Commission, which, in 1900, stated: "It may be doubted if in any country in the world archives of relatively so much value are so lightly regarded or carelessly kept," we have been taking lessons on the subject from Europe. Scientific methods have always been the rule in the centuries-old archives organizations of Germany, France, Italy, Spain and Russia. In Holland, a country only a little larger than the state of Maryland, there are eleven provincial depots for the preservation of local records, with a central depository at the Hague. Canada also employs up-to-date methods. When fire swept the historic Parliament Buildings at Ottawa in 1916, the bulk of the Canadian archives was saved because of their concentration in a special fireproof building. A blaze in the United States Capitol a few years ago seriously damaged valuable documents relating to early territorial history, these papers having been lodged in the stifling heat of space between the ceiling and roof of the dome.

Serious fires have also visited the War Department, the Post Office Department, the National Treasury and the Patent Office. In May, 1913, fire destroyed $100,000 worth of Geological Survey maps and folios kept in rented quarters, and threatened the destruction of others worth nearly a million dollars. Fire in the White House offices a few years ago damaged some old Presidential correspondence.

A great mass of valuable government documents for years have simply lain abandoned in various old buildings which could be rented, such as warehouses, car-barns and theatres, or in any other space that could be found—cellars, sub-cellars, corridors, alcoves and attics, variously exposed to heat, dust, dampness, fire, flood and leaky pipes. No records of these old papers have been kept. While attempting to trace the numbers of Liberty bonds which figured in the Sinclair-Fall case several years ago, the United States Secret Service literally had to shovel its way through masses of unsorted records. An investigator of the Senate archives once rescued several hundred old volumes of records which were soaked through and covered with mold. Autograph hunters have found the official records, wherever exposed, to be a rich field for despoilation, and many old letters have been stolen for their signatures. Among the papers in the Capitol attic, and in old files of the War Department, signatures have been torn away, rendering the letter or document practically valueless. A stamp-collecting clerk in the Treasury once destroyed a large quantity of vouchers in an effort to conceal his pilferings. A great many papers have been sold as junk, to the profit of both junkman and autograph dealer.

The movement for a national archives building had been going on for about twenty years, when, in 1899, the American Historical Association created a Public Archives Commission for the study and promotion of the issue. In 1881 and again in 1902, the Senate passed bills providing for an archives building, but the House took no action. In 1903, Congress authorized the purchase of a site, but it was assigned to another building. In 1908, the American Historical Association empowered a committee, with Dr. J. Franklin Jameson as chairman, to press the cause in Washington. As an outcome of public hearings begun in 1912, the Public Buildings Act of 1913 provided that $5,000 be spent in drawing up plans for a building. The selection of another site gave rise to an argument between Senators Oscar Underwood and Reed Smoot relative to the alleged realty interest of the latter, and again the movement failed. Came the war and the subsequent demand for economy. Finally in 1926, forty-five years after the original archives bill was passed by the Senate, definite action at last was taken by both houses.

Archives authorities encountered still another disappointment when a third tentative site, the center of the group of structures in the large triangle between Pennsylvania and Constitution avenues, was abandoned. Today the new structure nears completion in the small triangle at Seventh Street and Pennsylvania Avenue, bounded on all three sides by streets and thus incapable of expansion within its allotted area. Its ten million cubic feet of space will be entirely taken up by selections from government papers dated previously to 1930, estimates reveal. One of President Hoover's last official acts was the dedication of the building and formal laying of the cornerstone toward the close of February, 1933.

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Orange Juice, Toast and—

WITHIN THE LAST DECADE the American breakfast has suffered what Shakespeare would call a "complete sea change." From an obese red-blooded

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meal it has been reduced to "orange-juice, toast and coffee." For more than a century robust Americans intent on preserving the culinary tradition with which their ancestors landed at Plymouth Rock broke their daily fast with a horrendous meal patterned along British lines. Beefsteak and onions, ham and eggs, with pancakes swimming in syrup and numerous assorted oddments depending on the locale and the vagaries of the housewife furnished a slightly different food ensemble from that of its Anglo Saxon progenitor. But the demands on the capacity of the individual consumer was the same on both sides of the Atlantic.

Just who first made us meal conscious, however, and projected this standardized breakfast into the pattern of our national life will probably never be known by name. Bobbed hair may be traced to Irene Castle and jazz to Caesars on the Barbary Coast in San Francisco, but who gave us, "Orange juice, toast and —?"

Standardization of the American breakfast may have been merely a business proposition, since quite a nice little group of commercial interests are taken care of within its confines. Orange juice gives the horticulturists in the citrus belt an excellent break; the farmer, the dairy man and the baker benefit by the wholesale consumption of toast; a neat revenue is assured our foreign friends, the coffee planters, and a substantial sop is thrown to our countrymen in Hawaii to compensate them for the vagaries of the tariff on sugar. But nevertheless, this and much more was accomplished by the old style breakfast which wandered all over the culinary map and extended the glad hand to five times as many producers of foodstuffs. According to the vital statistics with which dieticians are concerned the oranges, toasted bread and containers of coffee consumed before luncheon in New York alone would tip the scales if weighed against all the other items in the remaining meals for the day.

A recent attempt to substitute grapefruit for orange juice in the culinary triad on the ground that it was a more effective reducing agent was denounced in fiery epistles to the press as a publicity stunt for the benefit of the grapefruit growers of Florida and California and not a humanitarian plan to create more streamline figures.

In the one room kitchenette apartment the American breakfast of "orange-juice, toast and coffee" reigns supreme. Its preparation is well nigh automatic. The economically independent woman plugs in the percolator while she tubs and dresses; switches to the electric toaster which heaves out slices of toast while she puts on her make-up; and transfers the current to a reamer which squeezes her oranges in a twink as she sits down at the table

This *modus operandi* differs from that of the hotel and smart apartment house only in the matter of swank. Here the glass of orange juice appears nestling coyly in a bed of shaved ice; the toast is usually cold, the coffee often has a flavor of day before yesterday, and the extra cost is all mixed up with overhead and the maintenance of the gold-braided, spatted door man at the front entrance.

But it is in the morning line up at the refreshment counters in thousands of chain drug stores from coast to coast and from Canada to Mexico that the bulk of the "orange juice, toast and—" addicts are found. All types and conditions of men and women are represented in this cross-section of native life. Modern exponents of the machine age; quaint specimens of the mid-Victorian era; and characters from the pre-war and post-war periods climb regularly to the drug store stool, drop elbows on a marble counter, and seated cheek by jowl order in a monotonous sing-song tone "orange juice, coffee and toast." These people from every social strata meeting on the common level of agreement as to a standard meal display a democracy of spirit existing practically nowhere but in a Socialist's dream. So much so that it takes no little courage for a non-conformist when so surrounded to order even a couple of soft boiled eggs and a Danish pastry with his coffee.

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Stories by Wire

A LECTURER AND FRIEND of this department recently returned from the road after completing the first part of his fall-winter lecture program. He was mildly indignant, overflowing with a newly discovered fact and also with reports that Americans seem as much inclined as ever toward lectures and quite willing to pay to listen to verbal reports on the state of the nation, the Orient and middle-European politics.

None of the latter had anything to do with the lecturer's indignation, but it did have much to do with the newly acquired information in which he assumed we would be interested.

Our friend was lecturing in Kansas City a few days after the final, official and formal resignation of General Hugh Samuel Johnson as head of NRA, when he heard a story, a slightly *risque* story, which with a certain amount of careful handling could be told at a dinner table and in mixed company. The story had to do with General Johnson's resignation. It would have had no point until the resignation was an accomplished fact. And this was only three days after the resignation.

On the fourth day, or the day after he had heard the story in Kansas City, he heard it told in St. Louis. The day after that he heard it again in Minneapolis, the next afternoon in St. Paul; the following evening he heard it in Chicago; and only two days after that he was a member of an after-dinner group in Buffalo which was being regaled with the same yarn.

It was the speed with which the story was traveling over the country which interested our friend and which led to some research and investigation on his part. The story could not be, nor was it, published in the daily press. It was certainly not of sufficient moment to drive any new listener to sit down and air mail it to relative, friend or business associate in any given distant city. It was these obvious impossibilities which led to the discovery that new, funny stories travel in America by telegraph!

There are many large organizations such as the Associated Press, the United Press, Hearst's International News, and many more large business and stock organizations which lease telegraph wire facilities from Western Union and Postal for fixed periods of time—9 to 5, or during the hours when stock exchanges are open. They are paid for on a time basis, not on the number of words which travel over them. Constantly manned by private operators, there are slack periods in every such working day when no official business is being transmitted. It is then that the operator in Washington, or New York, or Boston will tap out on his key to the operator in Chicago, or St. Louis, the query "Have you heard this one, Joe—?" And that, if you never knew it before, is how stories get around the country.

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Our Labor Wars

Since the advent of the present Administration at Washington there have been 1,500 *active walkouts and some* 4,000 *labor disputes. There follows a summary of the present state of labor unrest over the nation:*

Convention

THIS YEAR'S AMERICAN FEDERATION OF LABOR CONVENTION, opening last month in San Francisco, was by all odds the best attended and most promisingly lively of recent gatherings. Rank and file restlessness had been growing for months, with left-wing leaders determined to make a grand assault on conservative officialdom. Strike policy and tactics were up for heated discussion, the radicals breathing fire and slaughter against what they called the "sell-out" practises of AFL leadership. The question of political action by organized labor was again on the table, the Left Wing promising a major offensive on this front. Increasing use of the general strike, the sympathetic strike, the declaration of more or less open war on capitalism, were to be brought out on the platform and debated in the full light of day, with opposing lines on the right and left fighting out the final battle for control of the AFL.

But remarkably little of the kind took place. The AFL machine remained firmly in the hands of its masters—William Green, Matthew Woll, John L. Lewis and their subordinate leaders. Most of the dynamite subjects failed even to come up for discussion. The usual resolutions were passed with the usual majorities, condemning Communism, radicalism and all kinds of "un-American" activities. The thirty hour week was urged again on government and industry. Union labor decided, by the votes of its duly elected delegates, to stay out of politics. The convention went on record as opposed to war and fascism—without any program of definite action for combatting either. The anti-Hitler boycott was continued. Speeches were heard from visiting English trades unionists, who praised democracy and commented favorably on liberty.

This was the record of the convention in its first few days. The only fireworks were provided by a bitter row over jurisdiction in the building trades, and issue which concerned the sharing of official power more than the welfare of the workers. President Roosevelt's industrial truce proposal was important, apt, and put in such a way that it positively invited speeches of reply and acceptance. The leaders were not reluctant to make them, and for several days a stream of gracious words, aimed at the White House, poured across the country. Union labor, it appeared, had long secretly abhorred the strike and, guaranteed fair treatment from the bosses, was only anxious to forswear it for good.

Later in the convention one significant change of policy was forced through. This was the official adoption of industrial or vertical unionism as opposed to a previous policy of exclusively craft unionism. The change will admit scores of thousands of previously non-unionized workers to the blessings of organization. It will admit, for example, all the mass-production workers of the automobile industry who have been previously outside the scope of craft unions. It will also admit agricultural workers, who have hitherto been considered by inert labor leaders to possess no craft at all. AFL officialdom was for years opposed to the measure—largely because the pickings are richer and the effort less in craft unionism, where a number of small organizations naturally require a greater quantity of officials. Rank and file pressure forced the change. If its ends are fully pursued, there is nothing to prevent union labor from organizing the whole of the American working class. Nothing, that is, in union labor's own policy.

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Industry

THE MANNER OF INDUSTRY'S REACTION to all this is another matter. Already the big employers are drawing their lines for the final showdown on company versus workers union. Weirton Steel has been fighting the government's suit to enforce Section 7-a for months, the Weirton company acting as proxy for the entire steel industry. So far the outcome is indecisive, with the Weirton firm taking the attitude "sure, you can have a union, any kind you like—as long as we run it for you." General Motors has come out on much the same basis, Mr. Sloan in a recent statement recognizing the right of collective bargaining, but warning "outside influences" to keep hands off. Carnegie Steel has issued an open defiance on the question of Section 7-a enforcement, and a court test is promised. The Houde Engineering Company of Buffalo is carrying on its fight for the open shop and the company union. Altogether, the season for industrial struggle opens with bustling promise of activity.

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The Courts

LEGAL DECISION will become more and more significant if, as Mr. Roosevelt hopes, the strike truce is observed and peaceful solutions only sought. Arbitration will, of course, take care of many issues, but major issues of law will go to the courts. The Supreme Court, when it gives the final legal word on the New Deal activities, will have many lower court precedents and verdicts to wrestle with. A Buffalo court has affirmed the legality of NRA wage rate provisions on a road contract. Price-cutting against code limits was prohibited in a motor dealer's case. The railroads have opened what promises to be a long legal fight against compulsory retirement pensions. The government has met defeat on two court issues, when a Federal Judge denied an injunction restraining a Mississippi lumber firm from underselling code prices, and when an AAA injunction was denied in a Wisconsin dairying case. Both these decisions will be reviewed by the Supreme Court. The Wisconsin verdict is particularly significant, since the injunction was denied on the ground of a violation of states' rights. The Democratic Administration in appealing it will find

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Men Behind Your Movie Diet

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more than a best-selling title of a non-fiction book, but will come to the screen as the story of a country newspaper editor with Rogers as the philosophizing rural editor. Rogers's stories present no censor troubles, but those that do are placed under the scrutinizing eye of Col. Jason J. Joy, now Fox's censorship expert and formerly public relations director for Will Hays. All stories must be finally approved by General Manager Winfield Sheehan, a former newspaperman and one-time secretary of the New York Police Department. If he doesn't like a story, he talks disagreeably out of the side of his mouth and his ever-twinkling blue eyes fairly flash their disapproval.

The cinematic life of Fox's five-year-old Shirley Temple is virtually in Story Editor Johnson's hands. Her tremendous success in *"Baby, Take a Bow,"* which will net Fox the uncommon profit of $1,000,000, makes it absolutely necessary that the studio rush into production as many features headlining the young star as possible. Stories for children are quite apt to assume formula proportions which give a sameness to each production. If Johnson can avoid this sameness, Baby Star Temple will have a film life of perhaps a half dozen years, but poor stories may kill her popularity in a year or two. Sam Mintz, expert scenarist on children's roles, and Byron Morgan were assigned to adapt *"Meal Ticket"* for her next picture, but soon experienced difficulties. Now Mintz is laboring with an original idea, which Fox hopes will avoid the old formula.

Joe Cook has been a real Fox story problem. The writers found that if they had the proper amount of Joe Cook a story was next to impossible, and if some story was developed the comedian suffered. The problem has been met temporarily, although unsatisfactorily, by giving Cook a cash payment on his contract, which will be applied on a picture if a suitable story is found. Story Editor Johnson has no such terrific headaches with stories for stars like Janet Gaynor. He dug into the past for the next two Gaynor stories, recently closing deals for picture rights on *"Way Down East"* and *"In Old Kentucky."*

Those who believe in "cycles" see significant possibilities in these selections.

JOE ENGEL (*Fox*). Fox's Western Avenue studio in Hollywood is a rather self-contained unit in the Fox organization devoted to the production of about twenty program pictures each year as contrasted with the "prestige" feature production at the newer and larger Fox Hills lot. Sol M. Wurtzel, a product of New York's public schools, who started to work for Fox as a $15-a-week stenographer in 1915 and became general manager of the Hollywood studio two years later, still heads the unit which he found in the center of an orange and lemon grove upon his arrival in 1917. Behind thick horn-rimmed glasses and big black cigars, he lounges comfortably in the loudest of Hollywood sport clothes reading stories passed on to him by his new story editor, Joe Engel. Engel, himself an old-timer in the business as one of the organizers of the old Metro company, became head of the Wurtzel-unit story department in September when Robert M. Yost turned to writing a screen play based on Dante's *"Inferno."* Yost has been with Fox since 1921, with the exception of one year spent at Paramount after he was "fired by error" at Fox. The "error" was corrected at the end of the year and Yost returned to story editing for Wurtzel. Although Yost is expected to spend some time writing, he will be available to confer with his successor, Engel, and with Wurtzel on the selection and development of stories for the Western Avenue studios. Yost built up a fine reputation as a story editor while he held the job, with the Wurtzel unit turning in consistent profits on low cost productions. The Fox Western Avenue studio is also responsible for production of an extensive series of Spanish pictures for export, requiring Spanish stories, Spanish dialogue and casts.

HARRY CHANDLEE (*Jesse L. Lasky Productions*). Armed with a Ph.D. from Columbia University and experience as a newspaper and magazine writer, Chandlee has had a hand in prescribing your film diet since 1914, when he was with Lubin in Philadelphia as assistant story editor. His gray hair, horn-rimmed spectacles and fluent exposition of theories on audience psychology, give him the air of a college professor as he talks with writers and writers' agents in his search for stories big enough to justify the expenditure of $250,000 to $400,000 in their production. Lasky productions must be "prestige pictures" of no common run-of-the-mine variety. With a schedule limited to eight during the year, each picture must have big stars, well-known directors and an unusually good story to fill the ideal for a Lasky production. Sometimes this ideal is missed, as in *"Worst Woman of Paris,"* which Chandlee agrees should have been called the Worst Picture in Years, but there is usually a reason behind such "flops": in this case a studio strike in the midst of production with a release deadline to face. Chandlee, for twenty years a devoted student of audience psychology, knows the ingredients of a box-office success. He personally proved that he could build such a success when he wrote *"Platinum Blonde"* several years ago with Douglas Churchill, who now doubles as Hollywood columnist for the *New York Times* and press agent for Universal Pictures. Between 1919 and 1929, Chandlee wrote the titles for 302 silent pictures, entering the dialogue era as assistant to B.P. Schulberg at Paramount and finally becoming the Lasky story editor in 1932.

Mr. Lasky is now an independent producer on the Fox lot, releasing his pictures through the Fox organization. He can draw upon Fox for stars, players or directors, but may go outside the studio for any star or director he chooses. Chandlee, likewise, has access to the story files of Fox's Johnson, but he obtains most of his story material directly from recognized writers or from agents, whom he tells exactly what he wants. No effort is made to maintain an elaborate reading or scouting organization for stories. All manuscripts are read by Chandlee or by his 24-year-old son, Ellis, who aspires to follow in his father's footsteps. When a likely story is found, Chandlee may take an option on it, then send it along to Mr. Lasky for his decision. Mr. Lasky makes his decisions quickly, often waits until the last minute to read a story on which an option has been obtained. At 10 o'clock on the morning the option to *"Grand Canary"* expired at noon, Mr. Lasky had not read the manuscript. Chandlee told him the story, recommended it for Warner Baxter with Irving Cummings as director, and at 11 o'clock the option was taken up and machinery for a production costing several hundred thousand dollars was set in motion.

Chandlee refuses to believe in "picture cycles," insists that they are all like comets, with the big success at the

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head and the subsequently-inspired smaller stardust tagging on behind. He cautiously avoids getting in the scattered dust at the tail-end—often strikes out with a costume picture such as *"Berkeley Square"* when others are following the dictates of a "gangster-cycle." Recognizing that a costume picture is more difficult to build to success because reality (vital to success) is more difficult to achieve, he insists that a costume picture whose characters "have real blood in their veins" can be made acceptable at any time.

No writer working on original stories directly for films has succeeded in turning out fully developed, finished scripts ready for production. To prove this generalization comes the exception to the rule: Preston Sturges. It was to Chandlee that Sturges came with an original story which he had not yet put down on paper. He told it so beautifully and so convincingly that Chandlee was thrilled with it, asked Mr. Lasky to take time to hear him. Lasky was enthusiastic, but expressed a belief that it would be difficult to get down on paper. They agreed to buy it if the story on paper looked like the one they heard. Sturges brought in a completed script in forty days. Lasky and Chandlee listened to it, put off scheduled appointments for an hour, two hours, and finally for the day. This was magnificent! It was now only a question of the price. An agreement was reached at $20,000 plus a royalty on the picture. The script was in perfect shape for production. It was like finding the world's biggest diamond already finely cut by the world's finest artisan. The story was produced with only three minor changes, all approved by Sturges; and the cinema world received a great picture: *"The Power and the Glory."*

TREM CARR (*Monogram Pictures*). Like most of the smaller, independent producing companies, Monogram Pictures has no one assigned specifically to the task of scouting and editing stories. Carr, Monogram's gray-haired vice-president in charge of production, is principally responsible for the selection of the stories, casts and directors for the twenty features on the year's schedule. Three of the twenty pictures announced for production in March (*"Women Must Dress," "Honeymoon Limited"* and *"Great God Gold"*) were no more than titles which Carr liked at the time they were announced. Writers were later assigned to concoct stories to fit the titles, a not uncommon practice in some studios. Organized in 1930 with W. Ray Johnston as president, Monogram has achieved leadership among the independents (a term applied to those outside the ministrations of Will Hays's Motion Picture Producers and Distributors of America). With a small permanent staff housed in rented quarters on the old RKO-Pathé lot, Monogram has neither actors nor directors on long salary contracts, makes all contracts for duration of a particular production. Monogram is thereby enabled to estimate costs more closely in advance of production, stealing a march on one of the most tyrannous aspects of the Hollywood economics: payment of actors and directors on a daily or weekly salary regardless of how many weeks or months are required for production. The pain of a frozen nose in Chester, Iowa, in 1919, caused Carr to buy a one-way ticket to Los Angeles, where he entered the real estate business, later supplied capital for Al St. John's enterprise in production of short comedies. He is the originator of that now famous line: "You don't have to be crazy to be in the picture business, but it helps."

JERRY SACKHEIM (*Universal Pictures*). Story scout for David O. Selznick, first at RKO-Radio and later at M-G-M, Sackheim came to Universal City last May as story editor for Universal Pictures. Sackheim's father, a pioneer designer of art letter titles for silent pictures, got Jerry his first job as a cutter at First National, without pay. Sackheim later got paid as a cutter at Universal, then went to New York to write short stories and to try his hand as a playwright. His *"When the Bow Breaks,"* starring Pauline Frederick, was no howling success on Broadway, so he took to story editing for RKO, M-G-M and now Universal. Sackheim was directly responsible for the "picture that killed Dillinger." As personal story scout for Selznick at M-G-M, he sent his chief this brief memorandum: "Arthur Caesar has just told me an idea he is working on for a new story which I think is tremendous. He is calling the story *"Eastside"* and it is the story of three boys brought up in a cheap tenement house on the East Side in the district made famous by the Grand Street Boys and the old Chatham Club. At the end of the story one of these boys turns out to be the Governor of the State, the second the Cardinal of the State and the third ends up in the electric chair. Caesar has some very vital and tremendous moving scenes in the lives of these three characters. The end of the story, as he outlines it, is terrifically poignant with the Governor, who is the only man who has the power to pardon the boy, Blackie, coming to the Cardinal and asking him what he should do. The Cardinal explains that he must make his own decision and then the Governor asks the Cardinal to pray for the soul of the boy, Blackie. I really feel that this story is hot enough and interesting enough for you to grant Caesar a few moments of your time to let him tell it to you." Selznick granted the interview, bought the story and produced: *"Manhattan Melodrama."* Gangster Dillinger, along with millions of other movie fans, liked it. He went to see it three times, was brought down under a rain of bullets from guns of Department of Justice agents on the last occasion.

Sackheim's good humored approach to his new job at Universal stands him in good stead, for Universal is the studio which not only produced, but might have served as a model for, the movie version of that rollicking satire on the picture industry: *"Once In A Lifetime."* With Carl Laemmle, Jr., 26-year-old son of the pioneer organizer of Universal Pictures, in complete charge of production and general manager of the studio, Universal's uneven record has risen to the heights of an *"All Quiet on the Western Front"* and fallen to the expensive absurdity of an *"Only Yesterday."* Laemmle Junior, who likes to think of himself as the first picture executive "born within the industry," because the year of his birth coincided with his father's first one-reel film, became Universal's general manager in his twenty-first year. In that year of 1929, he achieved what his father, studio directors and old heads in other studios said "couldn't be done." He selected and insisted upon the production of *"All Quiet on the Western Front."* His father backed him up admirably to the tune of $1,300,000 for its production when Junior's convictions reached hysterical proportions. Its success kept Laemmle Senior busy for months collecting medals for "the greatest picture of the year" and bowing to applause for "the greatest achievement of all time." It brought Universal inesti-

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mable prestige, to say nothing of a $200,000 profit. No one has been able to tell Laemmle Junior since 1929 that anything "can't be done." He has been personally responsible for the final selection of the stories for Universal's schedule, calling for about fifty pictures annually.

Laemmle Junior has a fascination for big names in stars and directors and, above all, for stories which get listings as "best-sellers." His frenzied discovery that *"Only Yesterday"* was listed as a "best-seller" and that Universal had not yet acquired it, caused him to pay $60.000 for the picture rights to that non-fiction work without even seeking the advice of studio experts. When scenarists called his attention to the fact that *"Only Yesterday"* was no story, but a series of disjointed news happenings that couldn't make a picture, Junior had but to remind them of everyone's cries of "impossible" to *"All Quiet."* Seven writers successively worked on the screen play for *"Only Yesterday,"* each dropping the book in the wastebasket before sitting down to their typewriters. But even then, after the expenditure of $25,000 on writing charges, no shooting script was ready. Director John Stahl took the matter in hand, paced his library impatiently, searched his mind for the much needed story, returned to the studio one morning with a "colossal" idea which finally reached the screen as *"Only Yesterday."* RKO officials discovered a striking similarity between Universal's *"Only Yesterday"* and a work which they had purchased and shelved: Zweig's *"Letters of an Unknown Woman."* The coincident similarity was sufficient to necessitate negotiations for a property which Universal had produced but did not own; costing a reputed $25,000 more. Such extraordinary charges—$110,000 exclusive of production costs—naturally legislate against a picture's financial success before it ever reaches the screen. But Laemmle can point to some genuine successes: *"Back Street," "Strictly Dishonorable," "Dracula," "Frankenstein"* and others.

Laemmle Senior, although he has placed production entirely in the hands of his son, still retains the title of president, takes an active hand occasionally in the choice of a story. President Laemmle is forever discovering new "idea" men, asking them to come to Hollywood as his assistants. When Julius Klein, former writer on a Chicago German language paper, was invited into the Laemmle inner-sanctum as an "idea" man several months ago he started an incident which kept Hollywood in stitches for months. President Laemmle, greeting Klein upon his arrival at the studio, put to him the inevitable question propounded to all new Universal employees: "What ideas have you for me?" Klein fumbled in his pocket, pulled out the letter instructing him to come to Hollywood, glanced at it, then suddenly pointed to the postage stamp on the envelope: Postmaster General Farley's version of Whistler's famous portrait. "There's my idea," Klein replied. "Make a colossal picture called *"My Mother,"* and you, Mr. Laemmle, must produce it personally. No one else is capable of doing such a masterpiece." Universal's publicity department was soon turning out the news that Mr. Carl Laemmle, Sr., had decided to return to producing with an original masterpiece called *"My Mother."* Paris was wired for arrangements to bring the Whistler painting back to America for exploitation purposes; and studio writers were assigned to writing a scenario. Research into the life of Whistler, which was suggested as the story for *"My Mother,"* brought the puzzled scenarists to the conclusion that that wouldn't do so long as the heat of the current censorship drive was on. Laemmle Junior, usually in constant anxiety over the state of his own health (Universal legend has it that he is allowed one belch; two belches and the doctor is called), stood up under the *"My Mother"* episode remarkably well. Laemmle Senior went on a trip to Europe; *"My Mother"* was quietly shelved; America's 60,000.000 cinema fans were deprived of a potential ingredient in their movie diet. It might have made a great picture!

Talk of Nation

(*Continued from page* 52)

New Text

WE ARE always considerably perked up when we learn that some old method of imparting wisdom and knowledge to the young has given way to a newer method. Good news of just that nature the officers of the book publishing firm of D. Appleton—Century Company just recently were able and glad to pass on to such devoted believers in progress as we.

It came to them in a letter addressed to "D. Appleton & Company, 346-348 Broadway, New York," an office which the concern, in the interests of progress presumably, left sixty-seven years ago. The writer, it turned out, was a teacher of bookkeeping in a school in Columbia, South America. He had been using, he wrote, a textbook printed in Spanish by the Appleton Company. The company opened its Spanish department in 1845 and the bookkeeping text was one of the department's five works. The teacher wrote in to explain that he had decided to look for a more modern text and was decidedly in the market if any such existed.

We have one more report to make this month from the publishing field. The publisher in question, L. C. Page & Company of Boston, title it, for your delectation: "GLAD NEWS," and the glad news, in a word or two, is that the Depression hasn't got Pollyanna down. Pollyanna, that incorrigible optimist, goes merrily on. The really significant thing, however, is that she's taken a tip from some of our most advanced and gloomiest thinkers and economists—that little group led by Stuart Chase, who, greatly depressed over the Machine Age and what the Machine has been doing to us all, has been urging for some time now that the only truly civilized country in which to live is Mexico.

The title of the next and eighth Glad book is "Pollyanna's Castle In Mexico," and Pollyanna's creator, Elizabeth Barton, explains it this way, "In taking the Pollyanna characters to Mexico with me," (she flew down there by plane from Boston last spring) "it seems to me that I gave them the very nicest thing which it was in my power to bestow."

The seventh, and we thought the last Glad Book, you will, of course, recall was "Pollyanna In Hollywood." Things haven't been so good out there recently.

●

The Wire Tappers

SECRETARY OF THE TREASURY HENRY MORGENTHAU, JR., caused quite a flurry with his mid-month challenge that the rising tide of smuggling, bootlegging and dope peddling, which has followed in the wake of repeal, would be met, if necessary, by approved wire tapping—approved by the government that is. No matter who does it, the

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telephone company doesn't like it and never approves the practice.

"We can't be sissies when we go after smugglers, bootleggers and dope peddlers," was the way Mr. Morgenthau put it, but his threat, we understand, isn't backed up by any law.

In fact there is no law, we are informed, either for or against the practice. If you want to go in for wire tapping all the telephone company can get you for—and they usually do—is malicious destruction of private property.

The Compleat Wire Tapper needs no special tools—a pair of pliers and a jack-knife will serve adequately. The knife is used to scrape away the insulation on the line to be tapped; the pliers help to tie into this line the copper wires leading to the listening 'phone.

But it's just when this simple little trick has been performed that trouble breaks loose: load meters in the nearest exchange do a St. Vitus dance; red lights flash on and off; bells begin to ring. Linemen and company trouble-shooters usually locate the eavesdropper before much of anything important is really overheard.

We could find no telephone official who would admit that the company had ever approved the practice, even to assisting in legitimate law enforcement and crime detection. They all said it could never be carried on without the knowledge of the telephone company, and the reasons the company doesn't like it are the interfering and upsetting of normal service and also the telephone company is rather proud of its claim to all customers that the service it renders is strictly private.

●

Soulless Corporation

A MODERATELY WHIMSICAL LADY of our acquaintance gives us another story dealing with the activities and interests of the telephone company. Moving to a new apartment early this fall, she ordered a telephone installed. The company, after deciding she was financially responsible, wrote her an agreeable letter welcoming her to their midst and expressing deep gratitude for the order. They promised to send a representative with a contract immediately. In due time the gentleman came. The lady signed the contract and waited for her 'phone. The following day another representative came, also bearing a contract. This the lady refused to sign, on the ground that one was enough. A

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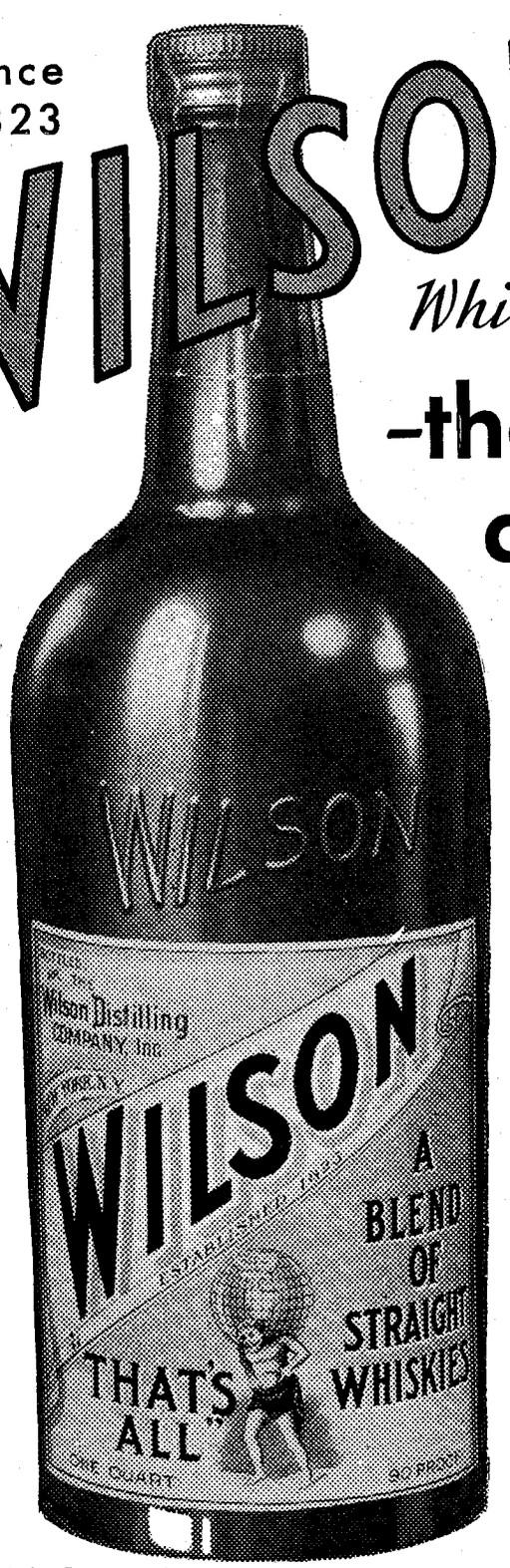

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day later a mechanic came and installed a telephone. Two days later a second mechanic came and attempted to install another. The lady repulsed him. The next morning's mail brought a third contract, explaining that the company absolutely required her signature on it —for the sake of the record, her service, good will and relations generally.

The lady, thoroughly aroused, wrote back explaining that her resistance was at last broken and she would sign this contract if they insisted, but on the condition that one 'phone and one only should be installed. She added that she was neither a busy executive nor so overwhelmingly in demand socially that she needed two. Besides, she explained, two would be confusing; supposing both rang at once, how would she know which to answer? Nothing happened for a week, and she used her one telephone quite normally. Then early one morning it rang. The Business Office wished to speak with her. Had she, it asked, been quite serious when she expressed fear of having two telephones thrust upon her? Because, really, they had no intention of doing such a thing. One was all she would have just as long as she wanted one and no more. That was their policy—and they were going to stick to it.

●

Stainless Utopia

THE PERSONNEL MANAGER met us at the office door. He was glad to see us; his name, he said smilingly was Mudd, Alfred Mudd. After we signed the liability release card he would take us through the mill. They weren't doing much now, but we could see everything they had to show and he was sorry there wasn't more. Steel was in a bad way.

Mr. Mudd took us first to the open hearth room. Nothing was going on, but he showed us how it would be done supposing there was something going on. The ore and lime and fuel went in here, the steel came out here. All this bricking had to be torn down and built up new again each time. In twenty years of steel he could still get excited about it when they were drawing off. It was very beautiful; something elemental about it. Perhaps next month they would be doing something and we would come back. In the meantime he could show us one or two things if we were interested. They were doing things with a new kind of steel, a new kind of stainless steel.

Scribner's

FOR

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BUSINESS AND GOVERNMENT

By A. A. BERLE, Jr.

The times call for thinking beyond the usual orthodox lines. Mr. Berle, lawyer, economist, City Chamberlain of New York, analyzes exactly what has happened to America since 1932, and indicates a new route to permanent prosperity, along which he believes business and government must necessarily move toward a new common ground.

SCHOOLS CAN LEARN TO EDUCATE

By JOHN R. TUNIS

Take the case of John Morton Smith, for instance. "A mentality that may be close to genius . . . evidence even over six years of the boy's life is unmistakable." Thus reads the report of his Cumulative Card under the Pennsylvania Study of Education. Yet his school marks failed to admit him to college. Read John Tunis's "SCHOOLS CAN LEARN TO EDUCATE" for an amazing picture of the tragic errors now prevailing in the transition from school to college.

THE FOOTBALL BRAHMINS MAKE PEACE

By LAWRENCE PERRY

Harvard-Princeton, Army-Navy . . . names of Brahmin influence, as Lawrence Perry expresses it, in American football! Why did they break off relations? How did they agree to resume playing again . . . to restore two of the game's proudest traditions? Lawrence Perry tells the inside story . . . and tells it for the first time . . . in "THE FOOTBALL BRAHMINS MAKE PEACE."

DARK in the FOREST, STRANGE AS TIME

By THOMAS WOLFE

A woman . . . "so lovely that the memory of her would forever haunt the mind of him who saw her." A man . . . "on whose dark face the legend of a fatal meeting was already visible." A parting . . . a journey . . . and a rendezvous as old as Time: this story by Thomas Wolfe is like its ending: dark, wild, jubilant, and strange.

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This kind of stainless steel, Mr. Mudd said, was the coming industrial revolution. Everything needing lightness and strength and speed would be made out of it, railway cars, locomotives, construction work, boats, automobiles. A great future was in front of this steel and in front of the world. With enough of it to go around, the face of America could be remade. Maybe in a year or two that was all they would be doing in the whole plant, remaking the face of America.

At the moment the fabricating shop was remaking with the new steel on a navy contract, the only kind they could get. We stood and looked at the men. Three to a gang, wearing goggles and masks, were welding girders, one weld per second. It seemed to be hard work and fairly technical, and Mr. Mudd admitted the men were highly trained. They got eighteen dollars a week. Yes, quite, that was the Code. Mr. Mudd's plant would pay nothing less. They were behind the Code, the NRA, the President.

We went over to the forging department. There we saw the big forging hammer, cost $1,000,000. It took $300 to run it for an hour. It hadn't been used much lately. During the war it ran twelve hours a day, reshaping howitzer barrels. Now they just kept it oiled and ready to operate at a day's notice. If there should be another war it would come in handy. Mr. Mudd didn't believe there would be another one, but they kept the hammer oiled and ready. One man did nothing else. He got thirty cents an hour.

Labor Wars

(*Continued from page* 53)

itself repudiating the states' rights policies of Jefferson, party founder—but such repudiation is nothing new.

●

NRA

THE NRA has at last been reorganized. Everyone knew it was coming. Months of standstill had prepared the public for almost any event, and when finally one man direction ceased and a board of three stepped in, no one could pretend to be surprised. General Johnson provided the only sensation in his farewell address to his officers, in which references to himself ranged all the way from high emotion to pure ridiculousness. The new board, consisting of Donald Richberg, NRA's general counsel, Secretary Perkins and Secretary Ickes will run the NRA as a sort of state within the state, having judicial, legislative and executive powers within the general framework of the codes. It is gratifying, of course, to see three people at work on the tasks that were far too much for one, even when that one was General Johnson—but it is a little difficult to discover where they will find the time. Secretary Ickes already has charge of PWA in addition to the Interior Department—what with housing, relief projects, hot oil and other items, the Secretary must be a considerably busy man. Secretary Perkins is also well occupied with the Department of Labor. It is quite likely that NRA will continue in reality under one man control.

So far no real indication of change in government attitude towards the fundamentals of NRA has been given, though many speeches have been made. The President has repeatedly assured business that he plans no revolutionary change in our economic system—and all but the most timid have given up the fantasy that he does. He has made remarks that have been interpreted as returning business control to business men, but NRA has been in their hands from the beginning. Management, not labor, wrote the codes in the first place. Management composed the first Code Authorities that enforced the codes and labor had no representation. Many codes permitted the stabilization of low wages in a time of rising prices—which meant greater profits at the expense of working class living standards. Most of the strikes under the New Deal have been directed against this employer control of NRA. It is not difficult, therefore, to understand a reported renewal of business confidence in the Administrations efforts for business men. And in addition, dozens of Representatives and even Senators are more radical than the White House has ever thought of being.

There is no doubt that recent strikes have forced the Administration to make a beginning on enforcement of the labor provisions in some of the codes. The Labor Relations Board, for example, has ordered New York's Interborough Rapid Transit to remove its ban on independent unions. The decision is significant in that I.R.T. policy on this point has for years been a model for company union plans. The continuing wrangle with Weirton Steel is another example—no doubt again in-

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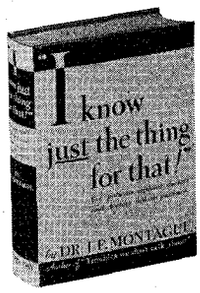

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spired by renewed threats of a general steel strike. Government is in an unhappy position. It has not been conspicuously zealous in enforcing Section 7-a. On the other hand, it does not want strikes. They seem to retard recovery and they look extremely bad at election time. Yet labor is militant, and some gesture must be made. Consequently, Labor Relations Boards, as well as courts, can be expected to show some activity at least until elections are over. The labor vote is important, and, though less vocal is considerably more numerous than the industrialists' vote. After the election—even if, as is expected, the Democratic régime retains its majorities—we may see a different story. Radical and more liberal critics of the Administration have been predicting that NRA will be allowed to collapse entirely. Many of its earlier features have gone already—licensing, boycott of violators, and Eagle snatching—perhaps the rest will go as well. Manufacturers have already begun protesting the cost of minimum wages, asking lower rates and longer working hours. Their claim of profits too slim to support the charges is valid. Industrial recovery has not arrived.

●

Strikes

IF NRA is to be dropped, labor's protest will become more militant than ever before, in spite of truce talk. At the moment of writing, several strikes have been postponed or settled, but others are brewing. The cotton general strike of last month was called off at President Roosevelt's direct request to the UTWA leaders. The end of the strike can hardly be called a settlement for none of the strikers' demands has been met—in spite of UTWA leader Gorman's lyrical outbursts about "victory." On the stretch-out question, chief grievance of the strikers, no action was promised until next February, with present machine load to be continued until that time. Recognition of the UTWA was not recommended in the Winant Report, but left as an issue for individual mills to meet—that is, the issue is precisely where it was before the strike began. Wage rises or equalizations were not mentioned, except as objects for further study. Only one condition was laid on the mill owners—that they must reemploy strikers without discrimination. This condition was reported in abeyance in the first week of the return to work. In effect, the striking cotton

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Walter J. Buzby, President On the Boardwalk

workers secured simply the promise of another board and another investigation. Months of previous board and study activity failed to secure any of the changes the workers demanded.

The UTWA leaders had, of course, manoeuvered themselves into a tight position in their insistence on Presidential mediation early in the strike. Mr. Roosevelt by holding off until the strike was in its third week, put them into a place where they almost had to take anything he chose to offer. The strike leaders were leaning on the President for a purpose—they wanted desperately to keep public opinion on their side. In this they were successful. The public, in spite of newspaper efforts to whip up strong feeling against the strike, was not unfavorable. This was a considerable achievement, for usually the mere phrase general strike will turn the public against the workers involved. But the strike leaders paid too high a price for this favor. They called off the strike without a single tangible gain for their followers. Indeed, the chief victory goes to Mr. Roosevelt, for his prestige was naturally increased by the outcome of the dispute.

The victory is more than likely to prove hollow. The cotton workers were discontented before the strike. The present postponement will not make them over into happy, docile workers. If the new study results in another refusal to recommend higher wages, union recognition, or shorter hours, and if no further effort is made at code enforcement, they will strike again. And in the meantime, cotton mill owners protest that their industry cannot afford further concessions to employees. Cotton milling, they point out, is not profitable now. The short boom period when profits rolled in has passed—along with the rest of the New Deal prosperity. The cotton situation remains a stalemate, with peace being observed for the moment. Unfortunately it cannot be permanent. The cleverest "settlement" which fails to touch on fundamentals cannot preserve it.

A three months' dispute in the Montana copper industry came to a more clear cut ending, with the workers securing almost all of their demands. The strike was interesting in view of the fact that it forced a rise in NRA code standards; the first time this has happened. The new basic wage rate of $4.75 per day is higher than the code figure. The abolition of the averaging clause in the work week (whereby employees could be worked longer than code hours provided the average was brought down to forty hours within a six month period) is an important gain for the men. Finally the industry—long open shop—agreed to union recognition.

President Roosevelt's order postponing the 10 per cent wage rise and 10 per cent hours cut in the cotton garment industry put off a strike involving two hundred thousand workers that had been called for October first. Union leaders who had theatened a walkout when employers refused to obey the President's original order explained that the strike was merely delayed "for the present" pending the outcome of a study by a new board. This study when it appeared recommended retaining the hours cut in part and dropping the wage increase. Leaders of the industry and labor have announced their acceptance of the ruling.

Another major strike was averted when the majority of the 40,000 marine workers in the costal trade agreed to remain at work. Recognition of the International Seamen's Union and a new wage and hour contract were secured from the owners. Left-wing seamen carried out an abortive strike on the issue of hiring halls, but their protest was ineffective. On the west coast, the long awaited verdict of the longshoremen's arbitral board provided a thirty-hour week and a wage increase for the men. The hiring-hall issue was met by a compromise of joint employer-worker control. This settlement, outcome of the bitter dockers' strike in San Francisco and other western ports, will probably be used as a model for a similar settlement in the east.

After several weeks of court and arbitral wrangling, the threatened strike of 25,000 silk workers, chiefly in the Paterson, N. J. district, was called for October 25. At the moment of writing last minute efforts are being made to avert a walk-out, but with apparently small chance of success. Arbitration efforts have had better luck in the anthracite coal mining field, where the United Anthracite Miners Union was persuaded by a Catholic priest acting as mediator to defer a general strike. Chief demand of the union was for recognition, which had been refused by operators on the ground that they already recognized the United Mine Workers of America, senior and rival organization in the field.

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In Search of an Asst. President

(*Continued from page* 17)

simple division of authority and duty might not be possible in our Federal Government—with the factor of politics what it is, while the traditions which stem from the dictates of the Constitution would make it appear wellnigh impossible. It is because of this handicap that to date the incumbent head of the NEC is so frequently referred to as *Assistant President,* and for this reason: the National Economic Council in the last analysis represents the authority of the government in its most recent and largest incursion into the affairs of its people, namely all its business.

It has not infrequently been remarked by way of criticism of a democracy based upon a two-party system that it all too often brings to the head of the government an individual whose only training to rule and to administer has been gained in the hard school of ward politics. The history of the American Presidents supplies too much conclusive proof to require any additional argument upon this one point. But if this shortcoming was apparent in the days when the principal duties of the President of the United States were confined largely to seeing that the mails were efficiently, if not even economically, delivered; the Army and Navy kept in order; taxes collected and only a decent minimum of wars declared, how much more appalling can it become in a day when the government is the largest banking business of the nation, a producer of electric power, a loan shark, a builder of new homes, a repairer of old homes, a fireside councilor, the keeper of his farming brother and engaged in half a hundred other activities once thought to be the exclusive domain of free born citizens and which can only be compactly indicated by the liberal use of the Roman alphabet in short, three-letter combinations. And the only answer which may be given to all this is that the road of the New Deal, if we continue to follow it, must inevitably lead to a day when some magazine article will politely pose the question: How can two men do all of this alone?

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STATEMENT OF OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS, MARCH 3, 1933

of NEW OUTLOOK, published monthly at New York, N. Y., for October 1, 1934

State of New York, } ss.:
County of New York, }

Before me, a Notary Public in and for the State and County aforesaid, personally appeared Frank A. Tichenor, who, having been duly sworn according to law, deposes and says that he is the Business Manager of NEW OUTLOOK, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers, are: Publisher, Outlook Publishing Company, Inc., 515 Madison Avenue, New York, N. Y.; Editor, Francis Walton, 515 Madison Avenue, New York, N. Y.; Managing Editor, None; Business Manager, Frank A. Tichenor, 515 Madison Avenue, New York, N. Y.

2. That the owners are: Outlook Publishing Company, Inc., 515 Madison Avenue, New York, N. Y.; Frank A. Tichenor, 515 Madison Avenue, New York, N. Y.; Frederick S. Peck, 17 Exchange Street, Providence, R. I.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

(Signed) FRANK A. TICHENOR,

Sworn to and subscribed before me this 24th day of September, 1934.

(Signed) H. F. Koster, Notary Public,
Kings Co. Clerk's No. 82; New York Co. Clerk's No. 278.

(My Commission expires March 30, 1936)

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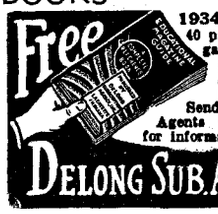

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The Spenders

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simple magnification of their past methods, nor do they seem to realize that the men and women affected are not the shiftless lot of former years, but are able-bodied and spirited persons who are capable and willing to do good and honest work, and who, as shown by a number of riots, are unwilling to accept peaceably the starvation (so-called subsistence) wages given them. Social Service Workers are needed in relief work, but their past work and training have been such as to eliminate all but the very exceptional among them from administering directly or indirectly any of the large units of the relief organizations.

These various and sundry weaknesses definitely reflect the inefficient expenditure of the taxpayers' money. The past inefficiencies can be somewhat justified as the FERA has had, and for that matter still has, many large and complicated problems to face. But the truth remains: Washington has relied too much upon the states, and the states and the general public too much upon Washington. Also too much stress has been placed upon obtaining the necessary money, not enough upon the wise and efficient distribution of it. Spending more than a billion dollars a year is big business in any language and for any cause, and should be handled throughout by competent men and strong personnels. We cannot ignore either the vast amounts being spent or the 13.5 per cent of the population now receiving benefits from them.

Books

(*Continued from page* 49)

mentalizes over his characters and shows them, not in their moments of greatest intensity and power, but in their periods of inactivity, of languor, of vacillation. But far more than in the earlier volumes of the novel, there is the movement of life itself; the characters change and develop as people we know change and develop; the figures reappear like acquaintances we are beginning to recognize and await.

But beyond all this, the central significance of "Men of Good Will" is that it marks yet another stage in the breakdown of the traditional concept of the novel's function. Just as "Ulysses" and "The Remembrance of Things Past" were indications that the traditional novel form was no longer adequate to deal with the complexities of modern society, so "Men of Good Will" is an attempt to evolve an instrument of expression that will permit a closer and more accurate recording of these complexities and of their psychological consequences. Romains' artistry is often questionable, and some of his poses are irritating, but fiction will be written—and read—differently as a result of the work he is doing, of the picture of the modern world that he is building up.

Over the Hill to Public Ownership

(*Continued from page* 35)

was quite a little flurry a year ago about railroad salaries. They were said to be "swollen," and that they should be reduced for the psychological effect on the country if for no other reason. Just how raising wages in the interest of increasing the velocity of the dollar jibes with reducing salaries I do not presume to divine. I do know that the railroad officers who had their salaries reduced had less to spend, less to give to the community fund, and less with which to help support the soup kitchens. But I do know that when the publicity was all over, the expenses of the railroads had been reduced exactly 0.009 of one per cent by the operation.

If, eventually, we do have government ownership of railroads in our country, it will not be because of any necessity, or because anybody except the bureaucrats wants it, but because nothing is being done to show the American taxpayer what it means to his pocketbook. It might conceivably be brought about by the creation of an artificial emergency. That emergency could be created by continuing to pile expenses on the railroads and at the same time strangling their recuperative efforts. It would be a triumph of bureaucracy, which invariably starts out with coördination, quickly proceeds to intimidation, and finishes up with strangulation. It has destroyed every civilization upon which it has fastened its lecherous grip. It filches the citizen of his initiative and taxes him to death in the name of the public interest.

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